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Daily Report

East Asia

FBIS-EAS-96-022

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ASEAN Prepares for WTO 'Attack' on Labor, Investment

*BK2201050496 Bangkok THE NATION in English
22 Jan 96 pp B1, B2*

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] ASEAN economic ministers have agreed to join forces to prepare to counter attack developed countries on labour and investment issues at the World Trade Organization [WTO] ministerial meeting in Singapore at the end of the year.

Danai Dulalampha, Thailand's chief representative at the WTO, said the move is in preparation to meet the developed countries which are expected to highlight labour issues, the investment code, and corruption at the December WTO ministerial meeting this year.

Western countries have accused some Asian nations of abusing human rights by, for instance, using child and prison labour in factories.

Danai said developed countries want free investment and want to link trade with labour rights issues, while developing countries oppose developed countries imposing their values upon them.

The United States plans to propose WTO members consider corrupt practices in developing countries, particularly related to state trading projects, to see whether developing members are violating the free trade principles of WTO, he said.

Although developing countries oppose linking trade with social issues such as labour rights, they still could not find good reasons to explain their position, saying only that labour issues should not be used as a reason for trade barriers and such issues should be discussed in other forums.

Developed countries claim that cheap goods are made by labour whose governments provide poor standards of protection and insist developing countries upgrade their level of protection.

Therefore, ASEAN economic ministers agreed at their meeting in December last year to assign senior ASEAN officials to come up with a common position and reasons to offer Western nations. The move is to oppose the attempt to link labour with investment code negotiations, said Aphiradi Tantraphon, minister counsellor (commercial) at WTO.

The senior official is expected to come up with a proposed resolution for the ministers during mid-year, she said.

On the investment issue, developed countries want host countries to open free investment without limits to equity participation, she said.

They also want host countries to open for all investment projects.

She said developing countries still want to protect local manufacturers' interests and their economies are still not strong enough to take advantage of investment opportunities in developed countries. The developing countries also want to protect their environments which may be damaged by hazardous industrial projects.

On the corruption agenda proposed by the US government, Aphiradi said there is still no response from other WTO members.

ASEAN Urged To Resist Linkage of Social Clause to Trade

*BK3001145796 Singapore THE STRAITS TIMES
in English 30 Jan 96 p 19*

[Unattributed report]

[FBIS Transcribed Text] Singapore has urged ASEAN to continue to resist any attempt to link labour standards to trade.

It said such a linkage could hurt economic growth in ASEAN and undermine efforts to promote free trade.

Mr. Lee Yiok Seng, the Senior Parliamentary Secretary for Labour, was speaking yesterday at the opening of the fifth meeting of the ASEAN Sub-Committee on Labour Affairs.

Some developed countries he noted, had tried to set a social clause on labour standards in international trade.

They claimed many developing countries did not observe minimum labour standards and enjoyed an unfair advantage, which eroded the competitiveness of some of their industries and aggravated unemployment.

Such arguments were unfounded, said Mr. Lee, citing a study by the Organisation for Economic Cooperation and Development. It showed that there was no relationship between low-cost labour and a country's export performance.

Despite the study, the push to link international trade to the social clause was likely to be continued at various international fora, he said.

"The concern of ASEAN and the developing countries is that such linkage could lead to protectionism.

"The developed countries could impose trade sanctions against countries accused of failing to comply with the

conventions on minimum labour standards and workers' rights."

ASEAN, he said, should continue to urge the International Labour Organisation (ILO) to review outdated conventions.

The ILO should also adopt a more flexible approach applying labour standards and consider overall social and economic progress.

In an increasingly competitive economic environment he said, ASEAN countries need to work even closer together on labour issues to ensure continued economic growth and a higher standard of living for workers.

Senior ASEAN labour officials, including those from Vietnam for the first time, are attending the biennial meeting at The Oriental Singapore which ends today.

ASEAN To 'Persuade' Nuclear Powers on SEANWFZ Pact

*BK1001092096 Jakarta SUARA KARYA
in Indonesian 10 Jan 96 p 10*

[Unattributed report]

[FBIS Translated Excerpt] Nusa Dua (SUARA KARYA) — ASEAN will continue to hold consultations with five nuclear powers — the United States, China, Russia, Great Britain, and France — to persuade them to sign the protocol to the Southeast Asian Nuclear Weapon-Free Zone [SEANWFZ] Treaty.

"We have many ways of consultations. We will ask them to send their representatives to every ASEAN meeting or will resort to other ways. In short, we will resort to all ways. I think ASEAN has never closed the doors for consultations," Arizal Effendi, director for international treaties of the Department of Foreign Affairs, told reporters in Nusa Dua, Bali on Tuesday [9 January] after chairing a meeting of the Working Group on the Zone of Peace, Freedom, and Neutrality [ZOPFAN].

The working group on ZOPFAN held a half-day special session, while senior officials are taking a rest and will meet the next day (Wednesday, 10 January). Arizal Effendi as chairman of the working group will report the results of the special session to Izhar Ibrahim, chairman of the ASEAN Senior Officials Meeting.

"We did not hold detailed discussions. We simply touched on the matter because it was too early to thoroughly discuss the matter," he said.

Under the ASEAN Summit Declaration issued in Bangkok in December 1995, ASEAN asked five nu-

clear powers to accede to the SEANWFZ Treaty by signing the protocol to treaty.

A protocol is attached to the SEANWFZ Treaty signed by seven ASEAN members and three other Southeast Asian countries (Cambodia, Laos, and Burma) to enable five nuclear powers (the United States, China, Russia, Great Britain, and France) to "associate" themselves with the treaty.

It will take a long time for the five nuclear powers to sign the protocol to the SEANWFZ Treaty, because a similar protocol to the Raratonga Treaty that turns the South Pacific into a nuclear-free zone has not been fully recognized by all the nuclear powers.

During the ASEAN summit in Bangkok, the U.S. Government refused to sign the protocol to the SEANWFZ Treaty on the grounds that the treaty was restrictive, did not elaborate on a verification system, and expanded the gripping jurisdiction of each Southeast Asian country.

The 13th ASEAN-U.S. dialogue due to take place from 11 to 12 January will be attended by senior officials from seven ASEAN members (Indonesia, Malaysia, Thailand, the Philippines, Brunei Darussalam, Singapore, and Vietnam) and a 19-member U.S. delegation led by Winston Lord, deputy assistant secretary of state for East Asian and Pacific Affairs.

Several members of the delegation are, however, doubtful that the U.S. delegation will arrive on time because airports in Washington D.C. have been closed due to a snowstorm in the United States.

The working group discussed the SEANWFZ Treaty and the Treaty of Amity and Cooperation [TAC] in Southeast Asia.

"Many countries want to associate themselves with TAC. We are looking for correct ways for that," Arizal said.

New Zealand, Australia, and Russia are interested in TAC. [passage omitted]

Bangkok, Ho Chi Minh City Withdrawn as Mekong Office Site

*BK3101045896 Bangkok THE NATION in English
31 Jan 96 p A6*

[Unattributed report]

[FBIS Transcribed Text] Thailand and Vietnam yesterday officially withdrew their capital cities as possible locations for the Secretariat Office of the Mekong River Commission [MCR] to ease difficulties in selecting the site.

The withdrawal of Bangkok and Ho Chi Minh City from the list left Cambodia's Phnom Penh and Laos' Vientiane in competition for the MRC secretariat office. The commission comprises Thailand, Vietnam, Cambodia and Laos.

The selection of the location dominated the second series of MRC council meetings which began yesterday in Phnom Penh.

The minister of Science, Technology and Environment, Yingphan Manatsikan, said Thailand had officially withdrawn Bangkok from the list of potential sites as it was not located along the Mekong River.

"As Bangkok is not on the bank of the Mekong River, we believe our withdrawal will help ease difficulties in selecting a location now that Vietnam has also dropped Ho Chi Minh from the competition," he said.

Thailand earlier proposed Chiang Rai and Bangkok as candidates, but later dropped Chiang Rai.

A Vietnamese official attending the meeting said his delegation still believed Ho Chi Minh was the most appropriate site for the secretariat office.

However, he said, Vietnam decided to drop out of the race as it believed doing so would help make selection easier.

Yingphan said while Thailand dropped Bangkok from the list it did not give support to either Cambodia or Laos, leaving both sides to negotiate on the matter.

Aside from the council meetings, several of those attending paid a courtesy call on Cambodia's Second Prime Minister Hun Sen. The group included: Ying-

phan, heads of delegations of four countries; Dr Kithong Vongsai, chairman of the Lao National Mekong Committee; Nguyen Canh Dinc, minister and chairman of Vietnam's National Mekong Committee and Cambodia's chairman of the MRC.

Yingphan said Hun Sen strongly suggested the Cambodian capital would be the most appropriate location for the MRC's secretariat office.

Dr Prathet Sutabut, director general of the Energy Development and Promotion Department, said the case was unlikely to be settled early as officials of both countries had to seek comments from their governments.

South Pacific Forum Welcomes End to French Testing

LD3001103796 Wellington Radio New Zealand International in English 0800 GMT 30 Jan 96

[FBIS Transcribed Excerpt] The end of French nuclear weapons testing in the South Pacific has been welcomed by the South Pacific Forum. [passage omitted]

South Pacific Forum spokesman David Blackstock says the announcement comes as a great relief to all in the region.

[Begin Blackstock recording] We trust this is not just the end of the current test series but the end of all French testing in the Pacific, so it's an historic announcement. Some of us would have to say that we have been urging the French to cease testing for many months, since they announced the resumption of testing, and, well, six tests is six tests too many. It's not an unqualified triumph for the Forum, by any means. [end recording]

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South Pacific Forum Welcomes End to French Testing

LD3001103796 Wellington Radio New Zealand International in English 0800 GMT 30 Jan 96

[FBIS Transcribed Excerpt] The end of French nuclear weapons testing in the South Pacific has been welcomed by the South Pacific Forum. [passage omitted]

South Pacific Forum spokesman David Blackstock says the announcement comes as a great relief to all in the region.

[Begin Blackstock recording] We trust this is not just the end of the current test series but the end of all French testing in the Pacific, so it's an historic announcement. Some of us would have to say that we have been urging the French to cease testing for many months, since they announced the resumption of testing, and, well, six tests is six tests too many. It's not an unqualified triumph for the Forum, by any means. [end recording]

Japan: Peacekeepers Leave for Golan Heights

OW3101033196 Tokyo KYODO in English
0312 GMT 31 Jan 96

[FBIS Transcribed Text] Narita, Japan, Jan. 31 KYODO — A group of 16 Japanese peacekeepers left for a UN peacekeeping mission in the Israeli-held Golan Heights on Wednesday [31 January].

The group, the first of two to be sent to the Syria-based UN Disengagement Observer Force (UNDOF), consists of a 14-man advance Self-Defense Forces (SDF) contingent and two civilian officers who will serve at the UNDOF headquarters.

The SDF troops, part of a 45-member SDF transport group participating in the peacekeeping mission in the Golan Heights, will replace a Canadian contingent participating in the mission.

The second group is scheduled to leave for the peacekeeping mission on Feb. 7 and their main duties are set to begin on Feb. 23.

Under the peacekeeping plan, 32 SDF personnel will be stationed in Ziouani in the Israeli-held Golan Heights. There will be 11 at Faouar, where the UNDOF headquarters are located.

Japan will also send 60 Air Self-Defense Force troops to fly and maintain two C-130 transport planes which will carry supplies to the Japanese contingent during its two-year tour of duty.

Japan: Hashimoto Seeking To Meet Chirac at Bangkok Meeting

OW3101135396 Tokyo YOMIURI SHIMBUN
in Japanese 30 Jan 96 Morning Edition p 3

[FBIS Translated Text] As of 29 January, Prime Minister Ryutaro Hashimoto firmed up his plan to meet with French President Jacques Chirac at the Asia-Europe Meeting (ASEM) to be held in Bangkok 1-2 March. He instructed the Foreign Ministry to make the necessary arrangements.

Hashimoto plans to personally convey to Chirac the Japanese Government's regret over the French Government's ignoring world opinion and repeatedly conducting nuclear tests. At the same time, he plans to minimize the adverse impact of the nuclear tests on Japanese-French relations by stressing the "wide-ranging importance" (according to a senior Foreign Ministry official) of bilateral relations in the future.

Although the Foreign Ministry has already been working to arrange Hashimoto's meetings with his PRC and ROK counterparts, it plans to place higher priority on arranging a meeting between Hashimoto and Chirac.

Japan: Ikeda Leaves for Ministerial Talks in Thailand

OW0102122496 Tokyo KYODO in English
1034 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — Foreign Minister Yukihiko Ikeda left for Thailand on Thursday evening [1 February] to attend an all-Asia foreign ministerial meeting prior to an Asia-Europe summit in March.

Ikeda will arrive shortly after midnight at the resort island of Phuket, some 900 kilometers southwest of Bangkok, Foreign Ministry officials said.

He will attend ministerial meetings Friday and Saturday to discuss ways to enhance proceedings for the first-ever Asia-Europe summit to be held in Bangkok on March 1-2, the officials said.

The Phuket gathering will draw ministers from Japan, South Korea, China and the seven members of the Association of Southeast Asian Nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Ikeda is scheduled to have separate bilateral meetings with his Chinese and South Korean counterparts, Qian Qichen and Kong No-myong, over issues of mutual concern, the officials said.

Ikeda will return home Sunday.

Tokyo Seeks Talks With ROK, PRC Over Fisheries Order

OW2901035496 Tokyo YOMIURI SHIMBUN
in Japanese 27 Jan 96 Morning Edition p 2

[FBIS Translated Text] Regarding the question of Japan establishing an exclusive economic zone in accordance with the ratification of the UN Convention on the Law of the Sea, Foreign Minister Yukihiko Ikeda spoke to a House of Councillors plenary session on 27 January: "Although we seem to have difficulties in negotiations with the ROK and China over the new fisheries order, consultations should be opened as early as possible." He thus showed his intention to launch talks with the two nations at an early date.

Japan: Panel Decides To Demand More 'Jusen' Data

OW0102065896 Tokyo KYODO in English
0617 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — The House of Representatives Budget Committee resolved Thursday [1 February] to demand that the government

release more information on seven failed housing loan companies which will be liquidated with the use of taxpayers' money.

The budget panel passed the resolution in the absence of members of the main opposition party, Shinshinto (New Frontier Party).

The information demanded is the names of 100 major debtors of the troubled companies, known as "jusen," the financial situation of the top 50 debtors out of the 100, and the outcome of Finance Ministry inspections of the seven companies in 1991, 1992 and August 1995.

The housing loan firms are virtually bankrupt due to a massive amount of loans they made mainly to realtors and which they have not been able to collect.

The committee made the disclosure demand based on the law on parliamentary testimony. Refusal to answer information requests based on the Diet Testimony Law can result in punitive measures.

The budget panel passed the resolution with the support of members of the three ruling parties — the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake — and the Japanese Communist Party (JCP).

Shinshinto has continued to boycott the session since Tuesday, demanding more disclosure of information.

Prime Minister Ryutaro Hashimoto, Finance Minister Wataru Kubo and Chief Cabinet Secretary Seiroku Kajiyama met in the morning and agreed to submit information as long as it does not violate the obligation of public servants to protect information they have obtained in the course of their duties, government officials said.

They agreed to give the additional information after the panel formally makes the demand based on the legislation, the officials said.

In the morning panel session, the LDP's Kosuke Hori and the JCP's Zemmei Matsumoto both called on the Finance Ministry to submit information voluntarily, but Kubo refused, citing public servants' obligation to keep secrets.

Shinshinto said Thursday that it will continue to boycott the Diet panel debate unless the government gives information about how the 685 billion yen taxpayers' money it proposes to use in the liquidation scheme was calculated.

Takeo Nishioka, Shinshinto's Diet Affairs Committee chairman, told a press conference that the party may return to the Diet session, depending on the information to be released.

Japan: Kajiyama on Need of More 'Jusen' Data Disclosures

*OW0102043296 Tokyo KYODO in English
0341 GMT 1 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — Further disclosure of information on seven failed housing loan companies contravenes public servants' obligation to protect information they obtained and thus would need cabinet approval, a top government spokesman said Thursday [1 February].

Both the ruling and opposition camps demanded in the Diet to release the names of debtors of the troubled companies, known as "jusen," but there are debtors who have nothing to do with the housing loan firm's financial trouble, Chief Cabinet Secretary Seiroku Kajiyama said.

Disclosure of such information may also affect efforts to collect as many loans as possible at the companies, he told a press conference.

Prime Minister Ryutaro Hashimoto nonetheless has a strong intention to respond to requests to be made by the House of Representatives Budget Committee on information disclosure, Kajiyama added.

The housing loan firms have virtually gone bankrupt due to heavy unrecoverable loans to realtors.

Japan: Ministry Said Preparing More Jusen Data

*OW0102121296 Tokyo KYODO in English
1032 GMT 1 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — Vice Finance Minister Tadashi Ogawa said Thursday [1 February] his ministry will take necessary procedures in responding to a Diet resolution demanding further information on seven moribund mortgage companies to be liquidated with taxpayers' money.

"The ministry will consult with the cabinet on how to present the data requested in the Diet resolution to help parliamentary debate on the issue," Ogawa said at a press conference.

Ogawa indicated such information should be released at a closed-door meeting of Diet members.

"The ministry will take necessary procedures to see that the requested data are not made public under civil servants' obligations to protect privileged information," he said.

Earlier in the day, the budget committee of the House of Representatives resolved to demand the ministry present the results of its past inspections of the mortgage companies as well as the names of their 100 largest debtors and the financial situation of the top 50.

The resolution calls on the ministry to submit the inspection results by Monday and the large debtors' information by Wednesday.

Japan: MOF Pressure on Banks Over Jusen Revealed

OW0102001896 Tokyo SHUKAN DAIYAMONDO
in Japanese 27 Jan 96

[Article by reporters Masayasu Tsujihiro and Shoyo Yutani: "A Review of What the Finance Ministry's Banking Bureau Director General Demanded at Final Round of Talks With Top Bank Managers on Disposal of Housing Loan Companies"]

[FBIS Translated Text] On 16 (Saturday) and 17 (Sunday) December last year, Yoshimasa Nishimura, director general of the Finance Ministry's Banking Bureau, called in the top managers of the parent and main banks of the housing loan companies [jusen], and formally presented to the managers the Finance Ministry's proposal on ways to deal with the jusen issue.

How should jusen's primary loss of to 6.3 trillion yen be shared among the banks and the agricultural cooperatives' financial institutions? How should the plan to deal with the secondary loss (of 1.2 trillion yen) and the tertiary losses be formulated? The issue of how the jusen problem should be resolved was now entering the final stage of decisionmaking. While the ministry's negotiations with the Ministry of Agriculture, Forestry, and Fisheries [MAFF] on 15 January had broken down, it was supposed to have its plan approved at the cabinet meeting on 19 January. The Finance Ministry was in a difficult spot.

Nishimura was getting impatient and tried a high-handed intimidation tactic in persuading the resistant top bank executives.

The parent and main banks have in fact withdrawn from their former position of demanding distribution of the loss based on the share of loans outstanding with jusen. The banks insisted that the best they can do is give up all of the outstanding credit, saying that doing anything beyond that will result in their loss in a class action suit by stock holders' representatives. But the Finance Ministry pressed them to do more than that.

All the people of the parent and main banks were taking record of the talks to leave it for possible use in a suit by the shareholders. The following are reconstructed excerpts from exchanges that took place in the talks.

One of the biggest problems in Japan's administration today is its old habit of trying to push its irrational decisions on the banking industry, using its great administrative power at its discretion. That old habit

showed up conspicuously in its actions with regard to the jusen issue. The exchanges presented below show one picture of how the supervisory authorities tried to press their logic or their illogic on the banks. What the top executives and managers of the jusen's parent and main banks said in the talks comes under the heading of [banks].

[Nishimura] This is a matter of credibility for Japan. We must come up with a conclusion. This is something we cannot pass without producing an answer. If there is no answer sheet, there is no way of keeping score. We will be compelled to make a final decision early next week. I would like to hear your frank views. The agricultural financial institutions people have not moved one step from the position that the parent and main banks are responsible and that there is no reason for the agricultural financial institutions to share the loss. At this point, I cannot predict what kind of answer the people from agricultural financial institutions will come up with.

Of the primary loss of 6.3 trillion yen, the parent and main banks will take charge of 3.5 trillion yen and other banks 1.7 trillion yen. We do not yet know how much agricultural financial institutions will take charge.

To deal with the secondary loss of 1.2 trillion yen, the parent and main banks will invest in an intermediary company which will take over the loss. That company will be provided with low-interest loans and will settle the debt over a period of 10 to 15 years. Some news media have reported that agricultural financial institutions will provide low-interest loans, but we cannot expect that to happen at this stage.

You will have to make a very important decision. I would like to learn about your view by Monday (18 January).

[Banks] That comes as a surprise. Are you saying that the parent and main banks will have to provide 1.2 trillion yen to enable the intermediary company to earn profits?

[Nishimura] Yes, I would like the parent and main banks to give up all of their credit in the primary loss, and shoulder additional burdens. "Banks Are in a Disadvantageous Position; the Banks Need To Do More Than Give up Their Credit":

[Banks] That is very difficult to accept. At the time when we announced the abandonment of all the outstanding credit, we informed you that the parent and main banks are free from any other credits and losses.

[Nishimura] I can understand the position of the banks wanting to end their roles by abandoning all their credit.

But most people in this world do not think so. Above all, very few of those in the political world think that way. There is a gap between what the public thinks and the bank industry thinks.

[Banks] There is the possibility of a class action suit filed by shareholders' representatives. Our belief is that the creditors should be held accountable, but the maximum the banks should do is abandon all the outstanding credit with *jusen*. We cannot provide loans to the intermediary company.

[Nishimura] Abandoning credits is not the only of dealing with the suit by shareholders' representatives.

[Banks] We think the public view is that we banks should be held accountable for abandoning outstanding credit. We think the public in general understands things this way.

[Nishimura] I think there have been instances of banks having taken full charge of the losses of nonbank institutions that did not belong to bank-affiliated business groups. Were law suits a problem at that time?

[Banks] Our view as well as the lawyers' view is that *jusen* are ordinary nonbank institutions and that they are different from business group-affiliated nonbanks.

[Nishimura] I did not say they are the same in all respects. But I will say they are the same in some aspects. Can you not take that into consideration?

[Banks] Burdens in excess of outstanding credit are too high. I would like you to know that.

[Nishimura] The thinking of the banking industry is far too easy. The news media are reporting on so many things that the banking industry should think about and with which the industry should be concerned. The majority of people are reading their reports. The Diet, in acting on the *jusen* issue, will have plenty of time for deliberations and will be very interested in delving into what really happened and who is really responsible. What will come out of all that? There will be nothing but considerable damage to the banking industry.

Many people complain that the banks are reaping the biggest profits in history through such low interest rates for depositors, and that while the banks use their money to liquidate bad credit, they pay little tax. These people also note that bankers are very well paid. The banking industry is in a very disadvantageous situation. "Matter of Lack of Common Sense Cannot Be Solved With Common Sense"

[Banks] As we have told you time and again, there is no way to convince foreign countries that way. We are now being watched with very critical eyes. Even the guideline set forth by the ruling parties says a solution

to the issue should be one that can be understood internationally.

[Nishimura] First of all, there is no way to rationally explain how more than 7 trillion yen has disappeared out of a total of 13 trillion in assets. Something which has gone out of common sense cannot be solved with international common sense. Our task is to solve this *jusen* issue, and to enable the Japanese banking industry to be measured with international common sense once again soon.

[Banks] We are aware that we must hurry in coming up with a solution, and we want to cooperate. However, a legal suit by the shareholders' representatives is a very serious problem. And it is impossible to get understanding from within our banks or from other major banks on this deal. We do not think it is possible to go beyond giving up what we gave out.

[Nishimura] It will be difficult to solve the issue by doing so. Banks are said to be getting ready for legal actions to settle the matter, but I think the banks should be very careful. The banks should think how such actions will turn out. There is no realistic way of solving the issue except by making a compromise.

[Banks] But that means we will be unilaterally compelled to take on heavy burdens. We really wonder if the banks' decisionmaking bodies can accept your proposal. Some people speak pessimistically even about the prospect of getting the plan for abandoning outstanding credits accepted. This is something which cannot be forced on the board members. We think the public would understand that at least.

[Nishimura] That is an easy way of thinking. The newspapers are favorable on the banking world's position. But, my advice is that you should not be overly concerned about newspaper reports. Speaking from experience, news media people worry too much about balancing. They can change easily. Now they are writing the way they do in order to throw a punch at politicians who they think are acting irrationally. Their position seems to have come close to that of the banking industry. But, from now on, it is possible that they will change completely. "Legal Action Is Impossible; Agricultural Financial Institutions Will Collapse, Creating Chaos":

[Banks] What burdens will be assumed by the *norin* agricultural financial institutions and what is the basis of calculating their burdens?

[Nishimura] I cannot give an answer to that. Please do not think about it. The world of the agricultural financial institutions is a different world where common sense does not hold sway. I do not think the people there can

say forever that they will not pay a penny, but I think they will keep on saying that until the very last moment.

[Banks] But as it is, it is difficult for us to accept your proposal. Given the present circumstances, we might come to a situation wherein we have to think about taking legal actions to solve this matter.

[Nishimura] Agricultural financial institutions are facing tough business conditions. If the banks opt for legal actions to deal with the issue, agricultural financial institutions will probably collapse under the burdens of debts. That will create a very bad political and social chaos. The people who talk about legal actions are too optimistic. They have not made an objective assessment of the situation.

[Banks] That way, the chaos of agricultural financial institutions may be avoided, but the banking industry will fall into jeopardy instead. If the banks lose a legal suit to the shareholders' representatives, many of their executives will have to sell and turn in their assets, plunging the banking industry into disarray and creating a perilous condition.

[Nishimura] It would be almost impossible for the banks to take legal action to settle the issue. There is no way but to seek a compromise. I do not think the abandoning all outstanding credit needs to be the final line of compromise.

[Banks] As we have said time and again, burdens going beyond abandoning the credit are unreasonable.

[Nishimura] The world of agricultural financial institutions is a world that goes beyond your imagination. The fundamental problem of the *jusen* issue, simply put, was caused by the fact that the people who should not have given out loans have given out the loans and the people who should not have received loans have received the loans. That is it.

After these meetings took place, the Finance Ministry pressed on and its draft bill on the *jusen* issue was passed by the cabinet; the bill of actions for *jusen* is now in the Diet. But the banks have not yet arrived at an agreement on a scheme to deal with the issue. This *jusen* issue can cause havoc in the Diet, possibly even driving it into dissolving itself.

Japan: MITI Chief Expresses 'Optimism' on Economy

OW3001024296 Tokyo KYODO in English
0139 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — International Trade and Industry Minister Shumpei Tsukahara expressed optimism about the economy Tuesday

[30 January], following improved industrial production figures released Monday.

"(The economy) is slowly crawling out of a standstill to show clearer signs of a recovery," Tsukahara said at a news conference.

Japan's industrial production picked up 0.8 percent in December, for the third straight year-on-year rise, the Ministry of International Trade and Industry reported Monday.

The ministry expects output to rise 1.1 percent in January and 1.0 percent in February.

Japan: Safety Standards Keep Imported Cosmetics Prices High

OW0102060196 Tokyo KYODO in English
0513 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — Foreign brand-name cosmetics will continue to cost more in Japan than abroad despite the strong yen because the Health and Welfare Ministry insists their composition must be adjusted for Japanese consumers.

Domestic prices are also high because the ministry demands imported cosmetics have the manufacturer's label listing their contents.

Keen to maintain control on retail prices, manufacturers provide those labels only to their sales branches in Japan or authorized import agents, making it legally impossible for importers to circumvent domestic wholesalers under the technique known as parallel imports.

The ministry has, however, pledged to partially remove that obstacle by allowing later this year sales of foreign cosmetics without the manufacturer's ingredient label if the product has already been approved for the Japanese market.

But it insists on keeping the safety standards which force foreign manufacturers to change their products for the Japanese market and as a result demand higher prices.

"Among the 110 countries to which we export only Japan has regulations which require us to change the composition of our products," said Hisashi Takakura, president of French cosmetics maker Clarins' Japan subsidiary.

He said due to these adjustments and generally high costs of doing business in Japan, prices are about 1.5 times higher than in other countries.

"We are aware our products are expensive, that's why we have asked the Japanese Government to adjust the

regulations on the composition of cosmetics to be like regulations in Europe and the United States," he said.

But Takakura is opposed to permitting parallel imports arguing it would be "unfair" if discounters reap the benefits of the manufacturers' efforts to penetrate the market.

However, Yukio Higuchi, president of the liquor store chain Kawachiya which sells cosmetics at discount prices, is all for parallel imports, hoping domestic manufacturers will follow suit if imported cosmetics become available at lower prices.

"Parallel imports will not only lower prices for foreign products, but also those for domestic products," he said.

In mid-December, one Tokyo-based company began to sell directly imported cosmetics of 20 foreign brands, such as Chanel, lowering prices 30 to 50 percent at its Ginza outlet.

The company, Designers Collezione Japan Inc., said initially it was willing to risk a criminal complaint by defying the content label requirement in order to draw public attention to "excessive" regulations.

But it suspended sales after the Tokyo Municipal Government's health officials found formalin, a substance which is not allowed in cosmetics in Japan, in some of the products.

During four days of sales, some 2,000 budget-conscious consumers swamped the shop, buying cosmetics and perfumes worth 20 million yen indicating there is a huge business potential in such a market.

Apparently alarmed by the development, Chanel K.K. and Kose Corp. said last week they are lowering their cosmetics prices in response to increasing consumer demand for low-priced products and criticism about price discrepancies between those in Japan and abroad.

Yasuyuki Nanbu, head of Persona Inc., the temporary staff service agency which owns Designers Collezione Japan, is convinced that "Japan's safety regulations for cosmetics are excessive. They should recognize cosmetics sold abroad do meet international safety standards," he said.

A senior ministry official, who refused to be named, dismissed the demands for relaxed standards arguing the pharmaceutical affairs law puts consumer safety first.

He sees no discrepancy between the ministry's view and the fact Japanese consumers, known to stock up on foreign brand-name cosmetics during trips abroad, have been using many of the allegedly unsafe products for years.

"If travelers buy the products overseas and bring them back home they are individually responsible (for possible adverse side effects)," the official said.

Another official also defended the standards saying, "the list of prohibited and permitted substances differs wherever you go. Japan is not the strictest country (in regards to regulations)."

Japan: MITI Reports Rise in Commercial Sales

OW0102103796 Tokyo KYODO in English
0806 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — Japan's merchants saw their sales pick up 0.3 percent in 1995 for the first year-on-year growth in four years, the Ministry of International Trade and Industry [MITI] said Thursday [1 February].

Commercial sales totaled 661,832 billion yen last year, the ministry said.

Wholesalers chalked up the first sales rise in four years to 517,143 billion yen thanks to growth at merchants dealing in machinery, chemicals, minerals and metal materials, it said.

Retail sales dipped 0.1 percent to 144,689 billion yen because consumers remained price-conscious and due to the effect of the Kobe earthquake in January, according to the ministry.

In December alone, commercial sales totaled 60,821 billion yen, down 0.2 percent from the same month a year earlier and the first decline in five months.

December sales at wholesalers stayed flat at 45,856 billion yen, while retail sales slid 0.6 percent to 14,965 billion yen for the third straight month of contraction, the ministry said.

Japan: Decline in Crude Oil Imports Reported

OW2601091396 Tokyo KYODO in English
0847 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Japan's imports of crude oil in 1995 dropped 1.5 percent from the year before to 1,678.36 million barrels, a turnaround from a 6.2 percent rise in 1994, the Ministry of International Trade and Industry (MITI) said Friday [26 January].

For December alone, the ministry said imports of crude oil totaled 144.48 million barrels, down 9.9 percent from a year earlier, posting the fifth consecutive month of year-on-year fall.

The oil import drop in 1995 follows strong demand seen the previous year when drought forced a reduction in

hydroelectric power generation and more oil was used for generating electricity, ministry officials said.

The level of crude oil imports in 1995 was not particularly low, they added.

The United Arab Emirates was the biggest supplier of crude oil during the year with 452.25 million barrels, up 1.7 percent from the previous year.

Saudi Arabia was the second largest supplier with 327.08 million barrels, slipping 0.4 percent, followed by Iran with 143.98 million barrels, down 13.2 percent, Indonesia with 132.22 million barrels, down 13.4 percent, and Qatar with 107.56 million barrels, up 1.6 percent, MITI said. Supplies from Kuwait were 81.08 million barrels, up 14.8 percent.

Of the total imports, those from the Middle East accounted for 78.6 percent, up from 77.1 percent in 1994.

The total amount of crude oil processed during the year was 1,527.90 million barrels, remained unchanged from the previous year.

Production of fuel oil in the year rose for the eighth consecutive year by 0.4 percent to 1,430.72 million barrels.

Output of gasoline, jet fuel oil, kerosene, gas oil and heavy oil each hit a record high, the ministry said.

Imports of fuel oil were 224.30 million barrels, up 11.8 percent, while exports of the oil were 117.81 million barrels, up 9.4 percent.

Domestic annual sales of fuel oil hit a record for the second consecutive year at 1,529.79 million barrels, up 2.4 percent.

Sales of naphtha topped 25.04 million barrels to hit a new record, mirroring strong demand for petrochemical products during the year, the ministry said.

Japan: U.K. Expert Voices Surprise at Length of Monju Leak

OW3101090396 Tokyo KYODO in English
0809 GMT 31 Jan 96

[FBIS Transcribed Text] Fukui, Japan, Jan. 31 KYODO — A British nuclear power expert working at Japan's prototype fast-breeder reactor Monju says he was not surprised there was a leak of sodium coolant at the reactor in December but was surprised it was allowed to continue for so long.

The governmental Power Reactor and Nuclear Fuel Development Corp. (Donen) shut down Monju, some 350 kilometers west of Tokyo in Tsuruga, Fukui Prefecture,

on Dec. 8, after nonradioactive liquid sodium leaked from the secondary cooling system.

Peter Harrison, 34, a technical attache to Monju from the British Atomic Energy Authority, said in a recent interview with KYODO News that Monju, like all fast-breeder reactors, was built to contain leaks should they occur.

Harrison, who has been in Japan for a year and a half, specializes in reactor-core management.

"It was not a serious accident," Harrison said. "Nobody was injured. Nobody was put at risk. There was no damage to major components."

"The only damage is to a walkway which is a minor, nonnuclear, non-safety-related component, and a ventilation duct which is in the same category," he added.

But Harrison said he was surprised at the length of time the leak was allowed to continue.

"Normally we would trip the reactor and dump the circuit as soon as we knew there was a confirmed sodium leak," he said.

Asked about Donen officials' alleged attempts to edit videos of the leak to conceal its severity, Harrison said, "I think that might have been an unwise decision."

"I cannot comment on what would happen in the U.K. because it has never happened," he said.

Asked about an apparent delay in Donen's reporting to the Science and Technology Agency after Donen officials entered the room where the leak happened, Harrison said, "This is clearly a very wrong thing to do."

"It is an indefensible decision. In dealing with the safety authority, you must give them the whole truth. There is no doubt about that," he said. "I don't entirely understand the decision because the damage is not really very severe."

"It wasn't a big cover-up," Harrison argued. "It was a rather strange and small cover-up."

"But to get the leak into perspective, remember that this loop holds about 220 tons of sodium. It lost approximately 1 ton. That's 0.5 percent. It's a very small quantity of the total inventory," he added.

Harrison noted that the leak rate was "perhaps 200 kilograms per hour," or 0.01 percent of the flow rate in the pipe.

He said he thinks Japanese technicians will now have to focus their investigations on a broken temperature sensor, suspected to have been the cause of the leak.

Harrison said the focus will be on whether it broke because of faulty design or faulty installation.

"If this has a negative effect on the development of fast-breeder reactors, that would be regrettable and unnecessary and probably in the long term of serious damage to Japan's economy."

Monju began operating last August and was scheduled to eventually generate 280 megawatts of electricity, making it the world's second largest fast-breeder reactor after the French Superphenix. Operation of the Superphenix has been suspended indefinitely.

Fast-breeder reactors burn plutonium and produce more nuclear fuel than they consume. Prior to the accident, the Japanese Government had contemplated making fast-breeder reactors the centerpiece of its national energy policy for the next century.

Japan: Antinuclear Movement Leads Reactor Builders To Reorganize

*OW3101143496 Tokyo KYODO in English
0829 GMT 31 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Three major heavy machinery manufacturers are reorganizing their atomic reactor operations due to a poor business outlook resulting from a rising antinuclear movement, industry officials said Wednesday [31 January].

The officials said there is little room for expansion of the atomic reactor business in the future because of growing antinuclear sentiment among local residents in the wake of a series of accidents at atomic power plants.

They said Mitsubishi Heavy Industries Ltd., Hitachi Ltd. and Ishikawajima-Harima Heavy Industries Co. plan to transfer atomic reactor engineers to semiconductor manufacturing plants and other sectors where talented workers are needed.

Mitsubishi officials said the company will reorganize their atomic reactor designing and production departments in April and relocate 200 engineers at its Atomic Power Technology Center in Yokohama, where atomic power plants are produced, to its shipbuilding dockyards in Kobe.

The atomic power generation sector will expand its operations to cover the thermal power generation business, they said.

Hitachi also plans to reorganize its atomic power operations by the end of this year, officials said.

They said 50 atomic reactor engineers at its Hitachi plant in Ibaraki Prefecture, northeast of Tokyo, will be reassigned to design new semiconductor factories to be built in the future.

Ishikawajima-Harima Heavy Industries will relocate 200 of the 1,050 employees at its atomic power department to the electric power and industrial plant sectors which are suffering a manpower shortage because of brisk orders for boilers and cement plants, officials said.

The Federation of Electric Power Companies said three atomic power plants are now under way but two other projects have been stalled due to opposition from local residents.

Japan: Aomori Governor Bids for Planned Nuclear Reactor

*OW0102060396 Tokyo KYODO in English
0504 GMT 1 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — Aomori Gov. Morio Kimura met with International Trade and Industry Minister Shumpei Tsukahara on Thursday [1 February] to place a bid to invite a planned international thermonuclear experimental reactor to Aomori Prefecture, northern Japan, ministry officials said.

Japan plans to join forces with the United States, member states of the European Union and other countries to develop the reactor.

Tsukahara told Kimura that his ministry will consider the offer from a comprehensive perspective, the officials said.

Meanwhile, Tsukahara promised he will provide the prefectural government with detailed information on the nation's nuclear policy issues including nuclear fuel recycling initiatives, they said. Aomori Prefecture is home to a used nuclear fuel reprocessing plant.

The pledge came in the wake of a sodium leakage in December at the Monju fast-breeder reactor in Fukui Prefecture on the Sea of Japan coast.

Japan: Analyst Predicts Long Political Confusion

*OW0102053996 Tokyo EKONOMISUTO in Japanese
2, 9 Jan 96 (Combined Issue) pp 88-91*

[Article by Takashi Inoguchi, senior vice president of the United Nations University: "Politics: It Will Take Another 10 Years Before Poor Visibility Is Cleared"]

[FBIS Translated Text] Long-range View on Japanese Politics

U.S. politics is symbolized by a two-party system and during this century either one of the two political parties has prevailed alternately at almost every 30 to 40 years. For almost 30 years from the end of the 19th century to the Great Depression, the Republican

Party was prevalent, from the Great Depression to 1968 the Democratic Party, and from 1968 to 1994 the Republican Party. Some sort of wave lengths seemingly exists.

With reference to Japan's politics, it is necessary to look at things in a similar long time span. From the viewpoint of partisan and bureaucratic politics, it can be determined that from 1853 to 1890 was a period when a centralized state was firmly established, from 1890 to 1931 when a parliamentary system was introduced, from 1931 to 1955 when a bureaucrat-led state was established, from 1955 to 1991 when a political party dominated, and a period expected to last for some time beginning in 1991 when such a political order will be realigned.

The first period of establishing a centralized state was a process wherein an order once again materialized that seemed to do away with a medieval power structure, but failed to become an absolutist order in the early modern era. The birth of an absolutist state which Nobunaga Oda had aimed at did not materialize due to the medieval instinct. The declining and compromising process in bringing about a centralized authority was symbolized in Nobunaga Oda's assassination, Hideyoshi Toyotomi's surveys of cultivated farmland and Ieyasu Tokugawa's establishment of the Shogunate and its domains. In the political orders of the early modern era power appeared to be decentralized into local areas, but in actuality the central authorities were left with quite a lot of room for direct intervention. It took about a century to solidly establish the order which could be properly called as such in the early modern era.

While markets were being gradually formed throughout the country, a central authority was established which could take forcible measures in emergencies, although local authorities were allowed to practice self-governing and autonomy in connection with political power. Besides, it is important to note that each local authority gradually transformed the order which was centered around medieval loyalty to an individual to a bureaucratic order centered around the family. That was the reason why that era was looked at as the early modern era and also why it accelerated the continuity to the modern era. World market power and foreign military pressure were instrumental to the destruction of the political order of the early modern era. As a result, a modern centralized state was born with a motto of enriching the nation economically and strengthening its military power. In short, Japan of the Meiji Restoration was striving for militarization and adaptation to the world market. In Japan an absolutist state was not created in a pure form like in Europe. On the contrary, the civil revolution-style movement of the 19th century

progressed at a slow pace. Because a bureaucratic order had already been formed in the early modern era, it was comparatively easy to consolidate modern institutions.

In the period mentioned as the time when a parliamentary system was introduced, the people became deeply involved in politics step by step as part of forming a national state. A military coup d'etat brought about the Meiji Restoration. The Meiji Government attempted to form a modern state with the army, the bureaucracy and the compulsory education system as its basic axis. It was necessary at the same time to drastically promote industry and expand political participation in order to enlarge the financial foundation. It could not depend solely on taxes collected from landlords. Japan's parliamentary politics started with the introduction of local assemblies, and in 1890 the Imperial Diet was established. It reflected Japan's earnest national wish to improve its status in the world by introducing a Western political system. The military victory which had brought the Meiji Restoration was followed by the introduction of a bureaucracy. Many from the old samurai class were absorbed into the bureaucracy following abolition of social classes. That absorption process progressed in parallel with the introduction of parliamentary politics. In the 1920's, approximately a half of bureaucrats came from the samurai class.

The third period of firmly establishing a bureaucrat-led state started with government policies to develop heavy and chemical industries as well as war mobilization. The state's emphatic patronage was needed for the development of heavy and chemical industries. The philosophy of "Iron is the State" was behind the policy. In order to build the war mobilization system, the state was pushed in the forefront. While the parliamentary politics made a dash toward the direction of self-destructive "Rubber-stamp Diet" to approve all government plans instead of competition among political parties, the bureaucrat-led system forcefully continued its self-assertion. The defeat in World War Two and the Allied occupation brought a decline in the strength of political powers, while boosting the power of the bureaucracy. Thus sense of continuity from prewar days of bureaucrat-led state, despite of difference in the contents of political reforms, was secured. In the middle of the 1950's, the situation lost momentum. Economic rehabilitation steadily progressed and popular sentiment began to settle down. At around this time, party politics began to demonstrate its character, depriving the bureaucracy of its monopoly of leadership.

The fourth period of one-party supremacy symbolized to a certain degree the deployment of a civil society powerful enough to check the wayward dash of the bureaucracy, while complementing the strength and

policies of the bureaucracy. The fundamental concept that had been pursued since the jiyu minken [popular rights] movement for the bureaucracy to work out policies and to enforce them and for political parties to attempt to win the hearts of the people, came to the fore in different attire. The leading political party embraced as many as possible social choices with a right-of-center policy platform, and insisted in general on democracy within the framework of cooperation with the United States and capitalism on the basis of bureaucratic control, nothing more. But, assisted by economic successes and by its pliable adaptability to situations, an rarely seen order of one-party supremacy continued for a long time. That one-party dominant order of the Liberal Democratic Party [LDP] was weakened by the end of the Cold War and in the liberalization trend of world markets.

The fifth is a period in which realignment of the political establishment is in progress. One of its fundamental propelling powers is the bewilderment and uncertainty of the Japanese people about Japan's status and role in the world and the other is that Japan is in the midst of big self-transformation of Japan-type capitalism due to market liberalization in the world and the incidental global unification of economic activities. By this development, not only were partisan politics confronted with extreme confusion, but also the bureaucracy itself faced a decline of comparative strength in the face of a steady increase of strength in private sector.

From that vantage point, it is apparent that confusion in Japan's politics cannot be solved by going through a general election once, but that it should be dealt with a long-range view.

Present Stage of Japanese Politics

In what direction is Japanese politics attempting to proceed? What kind of policies are favored by Japanese opinion? In what direction do political parties intend to sum up policy choices? What kind of social role is the bureaucracy attempting to shoulder?

As far as public opinion is concerned, policy choices are concentrated to the right-of-center. Those professed to be on the right-of-center must make it public in what level of policies they are on the right-of-center. In connection with policy choices, it must be pointed out that a wide-spread political distrust exists. It is important, therefore, to recognize first that a number of voters may abstain from voting. What is important next is where to place more weight, market or government? Those who give more weight to the government emphasize the tax increase, sticking to regulation and expenditures for welfare, medical care, and education. Meanwhile, those placing more weight on the market insist on the

tax reduction, deregulation and reviewing welfare, medical care, and education. Then comes the international status of Japan as another possible important issue. Almost everybody professes to seek an honorable status in the world but how to attain that goal makes a comparatively big difference. It will make a big difference when one of the following choices is adopted: Whether the Japan-U.S. security arrangements should be strengthened, whether an independent defense policy should be adopted, or whether a policy to make the Japan-U.S. security alliance an interim measure until a multilateral arrangement is worked out.

The platforms of existing political parties such as the LDP, the New Frontier Party [NFP] or the Social Democratic Party of Japan [SDPJ] do not tell precisely which way they are going. The LDP, embracing large difference of views within the party from old days, succeeded to enhance its strength on the contrary. This trend has not changed even now, although it lost many colleagues to the NFP. LDP President Ryutaro Hashimoto wrote a book *Japan's Vision*, in which he distinctively portrayed the LDP's mainstream policy in support of one-party supremacy in cooperation with the bureaucracy. As was made public by the presidential election, the NFP is far from united as Tsutomu Hata, who is rather closer to Hashimoto, and Ichiro Ozawa, who is not, are competing. The SDPJ, of which major anti-U.S. policy swayed a great deal due to the end of the Cold War, could barely appeal to its *raison d'être* by its emphasis on large disbursements for welfare, medical care and education and the like and emphasis on new human tasks in human rights and the environment and so on. Although its rhetoric is quite different in appearance, what it argues really resembles that of the right-of-center.

The LDP is expected to step up its nationalistic argument within the framework of cooperation with the United States and will attempt strengthening a new regulation system, and at the same time a little belatedly adapting itself to the waves of market liberalization. The former was highlighted to a great extent by such incidents as nuclear tests conducted by China and France or the alleged rape of Okinawan girl by U.S. servicemen. The latter was symbolized by "cooperative market liberalization policy," reputed to be led by Japan or Asia at Osaka ministerial conference of the Asia-Pacific Economic Cooperation [APEC] countries.

The NFP, although embracing elements professing to strengthen cooperation with the United States and to propel market liberalization, seems to step up the policy of the right-of-center, not quite different from that of the LDP. The SDPJ took far stronger nationalistic self-assertion than the LDP when it decided to suspend

Japan's grant on Official Development Assistance to China in protest to China's nuclear tests.

Although nationalistic assertion and pacifism overlaps to a great extent, the SDPJ together with Sakigake insisted on suspending the grant far more forcefully than the LDP did, and made this action accepted. As for market liberalization, the SDPJ is the strongest supporter, with the exception of the Communist Party, of the bureaucratic regulatory system from the standpoint of protecting the weak.

What Are the Answers?

What are the answers to the confusion of partisan politics? My argument is that no incarnation, magic would dispel nor extinguish it, because the confusion of Japan's politics reflects Japan's structural fluidity. Extreme pessimism is not necessary even if confusion continues for another century because it derives partly from basic structural fluctuations in international security, the world economy and domestic government. It will be a naive optimism to expect a magic-like bright idea to solve the problem.

Under a retrospective of Japanese political history outlined so far, the current fluid situation is not expected to settle down in several years. It is better to expect to see the first glimpse of a real solution in 10 years, in short, it will be necessary to go through general elections three to four times. Firstly, it is not clear at all how the present predominance of the right-of-center in policy choices will be assimilated into political parties. Secondly, there is persistent apprehension about the possible election results that may endanger the basis of the current coalition government due to the changes in the election system. The possibility cannot be denied that the system is going to be stifled after postponing the general election for some time, as in the case of the Green Card Law which was stifled after nonenforcement of the legislation despite the fact that the Diet passed it.

When the new election system is enforced, the size of single-seat constituencies will become smaller like in the case of local elections. It is expected that an independent candidate who is recognized by as many as possible political parties will be elected. There is no predicting which political party will become the most powerful supporter of these independent candidates. But it is supposed from the present situation that in about 10 years identical independent candidates will be recommended in local constituencies by either a combination of the LDP and part of the SDPJ or a combination of the Harbingers and part of the NFP. And this process will facilitate the realignment of the political world. The system of subsidizing political parties with public funds will speed up such anticipated

movement. But local elections are directly concerned with the personal character and networks of each candidate. For some time, such human elements may dominate the election results. It may be possible that this article's expectation might not materialize on a scale because complicated undercurrents may continue to flow for some time.

So it is better to expect that Japan's political confusion may continue for some time. Japan is not solely responsible for it. Rather, it is strongly related to the decline in the comparative weight of politics in world nations, especially in developed industrial democracies. It derives from the fact that a better political system has not been found, despite the fact that democracy has become functionally incapacitated. In the past 10 to 20 years, the influential power of private sector has been conspicuously strengthened in comparison to the public sector. As a result, politics connected to the public sector has lost its power comparatively. An attitude of not expecting much from politics, especially the attitude of abhorring politics is on the rise everywhere. Compared to the United States where Congress in the last two to three months initiated twice the suspension of Federal Government activities, compared with a France troubled by general strikes in protest to the cuts in welfare expenditures, Japan can be described either as a democracy that is functioning better or not functioning well.

Japan: Hashimoto-Led LDP Reportedly Faces Dilemma

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[Article by Takuji Masuda, political commentator: "Hashimoto-Led LDP Faces Dilemma—It Sees Little Prospect of Seizing Control of Government"]

[FBIS Translated Text] Two months have passed since the debut of LDP President Hashimoto. Assisted by the combative faction and the Yamazaki-Kato element, intraparty influence is being reinforced. On the other hand, the Murayama Administration is maintaining a glider-like flight pattern, but nonrisk-taking stance which has posed a dilemma for Hashimoto.

Office of Minister of International Trade and Industry Occupied by Hashimoto Is an "Information Drought Zone."

"In the current Liberal Democratic Party [LDP], it appears that Koizumi, who has pushed reform to the forefront, is more suitable as a leader, than a traditional LDP parliamentarian such as Hashimoto."

"In a general election, *LDP President Koizumi* would be more advantageous for the LDP."

—The other day, statements of the above nature were heard frequently during speech-making tours in the northeastern region of Japan. It appears that there is more than the typically Japanese attitude of sympathy for the weak in this case where so much hope is expressed for someone who was defeated in an election.

About two months have passed since Ryutaro Hashimoto, minister of International Trade and Industry, was elected party president because he was a leader who could bring victory for the party in a general election by evincing LDP-like qualities, after Minister of Foreign Affairs Kono was dropped as a candidate because he was grossly lacking in LDP attributes.

In the LDP presidential election, Kono's sudden withdrawal as a candidate was followed by the quick naming of Junichiro Koizumi, minister of Posts and Communications, as an opponent of Hashimoto, and the latter reversed his role from one who asks for assistance to one who extends assistance.

Of the different policies advocated by Koizumi the one that attracted the most attention was the "Dismantling of Three Vested Rights." They included 1) abolish the right reserved only to national parliamentarians to elect the prime minister and implement a public election system for prime minister through the direct vote of the public, 2) implement decentralization of government based on the relocation of the capitol, and 3) privatize the three major functions of the postal service.

As soon as he reviewed these policies, Hashimoto is said to have uttered, "Jun is certainly an insidious person. He's talking about things that are impractical and merely attempting to score points...." As far as Hashimoto is concerned, Kono would have been much easier to deal with as an opponent. The reason is that for time immemorial challengers are reformist and those that are being challenged are conservative. Hashimoto ended his presidential election efforts without being able to devise a clear-cut policy as a counteroffensive against Koizumi. Albeit a case where the outcome was predictable from the very beginning, this was once again a case where Koizumi's challenge served to expose "Hashimoto politics" in the eyes of the public.

As comments were heard that, "the LDP has once again fallen into the hands of conservatives," (associate of Koizumi), it gradually became clear that Hashimoto politics comprised "reconciliatory politics," typical of Takeshita and Miyazawa, which assigned priority to LDP affairs similar to the prime ministers in the last days of the Tokugawa government.

Basically, the LDP is a political party which traditionally used its resourcefulness as a selling point.

Accordingly, the foremost reason why the LDP elected President Hashimoto is not because it placed great expectations on the realization of his formidable ideologies or policy convictions (which we have heard little of), but can be more correctly stated as a case of having placed hope on using his face as an image on election campaign posters.

If they were to forcibly project Hashimoto's qualities, they would not be able to avoid making him an anachronism from the policies of the 1955 System and the approach would be totally rejected by their fellow coalition parties.

Moreover, no common political issue exists such as political reform embraced by the former non-LDP coalition government and it would be useless to speak of party or party leader qualities under the current three-party coalition government which is united only on the methodology of preserving government.

That being the case, as long as a President Kono or a President Hashimoto serves as leader of the LDP, it will make little difference and just as the LDP once used President Toshiki Kaifu (currently president of the New Frontier Party), once the next general election is over, Hashimoto will face the fate of being relieved whether or not the party is victorious.

On the other hand, nothing dependable can be discerned in terms of Hashimoto's intraparty leadership. To begin with, he has few connections with people and lacks any confidants, depriving him of any direct informational sources.

Former Prime Minister Eisaku Sato, who even inspired the nickname of "quick-eared Eisaku," is said to have methodically collected remarks made by parliamentarians the night before and to have used the information as a tool to conduct intraparty affairs, but as far as Hashimoto is concerned, he is helpless in this respect. It appears that among political reporters, the Office of the Minister of International Trade and Industry is referred to as an "Information Drought Zone."

Lack of accurate information precludes precise judgments.

That reminds me that we have never heard that an intraparty issue was resolved by Hashimoto's initiative since he became president.

In October and November, two cabinet members assumed responsibility and resigned because of scandals and a misstatements. In one case concerning former

Minister of Justice Tomoharu Tazawa, Secretary General Koichi Kato made the decision leading to his resignation in connection with the issue of suspending plenary session questioning, and in the case of the misstatement made by former Management and Coordination Agency Director General Takami Eto concerning the annexation of Korea with Japan, Eto was reluctantly placed in the position of submitting his resignation under the New Frontier Party's threat to introduce a motion for a vote of no confidence against the director general in response to a statement by General Secretary Wataru Kubo of the Socialist Democratic Party of Japan (SDPJ), recommending Eto's resignation.

Of special note in reference to the Eto statement, Hashimoto reportedly said, "Eto's statement was made off-the-record, and if every cabinet member is forced to resign because of such incidents, we would never have enough people," he then asked Prime Minister Tomiichi Murayama to salvage the situation without "requiring a resignation." In fact, all three coalition party leaders had confirmed that neither removal nor resignation would take place. However, even before the lapse of a full day thereafter, the problem was suddenly resolved by the voluntary submission of a resignation by Director General Eto.

However, this quick reversal of positions resulted in a profusion of criticism from the executive department, such as, "Murayama himself is no different, but Hashimoto as a man certainly lacks any firm convictions" (LDP elder).

Moreover, in response to Eto who was seeking approval of resignation as a cabinet member, Hashimoto is said to have condescendingly remarked, "Thanks to you Eto we are able to submit the Religious Corporation Law revision bill to the Diet. I express my heartfelt appreciation." That sort of behavior lacks even the slightest sign of dignity or pride in the leader of the ranking party among the ruling coalition parties.

We can only describe Murayama's response to the foregoing issue as inept, but even if Hashimoto were the prime minister, it is very doubtful that he would have acted more aptly than Murayama. When anger at France's nuclear tests had peaked within Japan, the government decided to dispatch government representative Nobuo Matsunaga to France to express its "position of protest." However, instead, Matsunaga was actually dispatched as an "ambassador of goodwill" under confidential orders issued to the Ministry of Foreign Affairs by Hashimoto who had feared any deterioration in Japanese-Franco relations.

The French quickly discerned the *purpose* of the visit and President Chirac himself met with Matsunaga.

Such response by Hashimoto has led to critical views such as, "Hashimoto's actions reflect his nature wherein he is sorely lacking in awareness of long-range national strategies or the comprehensive picture and is prone to drown himself in insignificant details" (official of Sakigake).

One wonders if the LDP has been confused by the "Hashimoto myth" and has overestimated his potential. It was once said that former Prime Minister Kiichi Miyazawa was the model of an indecisive prime minister, but we cannot say that there is no possibility that Hashimoto will become a second Miyazawa.

To Fight Hashimoto Faction, Yamazaki-Kato Group Launches a "Combative LDP"

In fact, rather than Hashimoto, it is his associates that are currently taking a clear stand on launching a "combative LDP."

The core group supporting Hashimoto includes those who spearhead an anti-Ozawa, anti-Soka Gakkai movement such as Shizuka Kamei, LDP Organization and Public Affairs department chief (former Mitsuzuka faction); Hiromu Nonaka, LDP Election Bureau director general (former Obuchi faction); Katsuhiko Shirakawa, General Affairs director general (former Miyazawa faction); and former Minister of Education Kaoru Yosano (former Watanabe faction). Additional support is given to the Hashimoto organization by the "combative faction" which includes cabinet members such as Minister of Education Yoshinobu Shimamura; Takashi Fukaya, minister of Home Affairs; Masaaki Takagi, Hokkaido Development Agency director general; and Minister of Transport Yukio Hiranuma.

Of special note is that Kamei and Shimamura are referred to as the "platoon leaders" charged with the destruction of the Soka Gakkai and there is no denial that they are feared by more than a small degree by the New Frontier Party.

Needless to say, it is obvious that this alignment of individuals will conduct deliberations on the Religious Corporation Law revision bill which is a key agenda item for the special Diet session.

That revision bill is certain to be approved by the end of the extended Diet session of 15 December as anticipated by the coalition ruling parties, but House of Councillor deliberations are expected to involve intensified struggles between ruling and opposition parties in connection with the Diet summons of Daisaku Ikeda, Soka Gakkai honorary chairman.

As far as the LDP executive department is concerned, "If the New Frontier Party opposes the summons

unreasonably, a decision will be made on the basis of a majority vote," (LDP deputy secretary general), and it appears even the venerable Ikeda may not be able to avoid a summons this time around.

The other day one of the LDP executives fumed, "We'll force Ikeda to appear in the Diet to testify one way or the other," but perhaps so-called LDP characteristics are rooted in barbarism of this nature.

This middle-ranking "combative faction" is being manipulated backstage by the so-called Yamazaki-Kato group including LDP Secretary General Koichi Kato and Taku Yamazaki, LDP Policy Research council chief.

Initially, criticism was voiced concerning a *weak executive department*, but they are now in the process of gradually building a strong executive department organization with the help of Yamazaki who was once a member of the Yamazaki-Koizumi-Kato group.

In recent days, we have witnessed the occurrence of bureaucratic and politician scandals such as the wild statement by Hoshuyama, former Defense Facilities Administration director general, but Kato and his associates have taken speedy action on the disposal of such issues and we have even heard comments such as "President Kato and Secretary General Hashimoto."

Reportedly, the Hashimoto-Kato-Yamazaki combination "was formed right after the LDP defeat in the House of Councillors election," (Kato associate source), but that development was backed up by the authoritative approval of elder politicians such as Noboru Takeshita and Yasuhiro Nakasone.

However, Yamazaki's appointment to one of the three key positions drew opposition such as "His appointment was tantamount to skipping over many others," (Takayuki Sato, former LDP General Affairs chief) because compared to ranking in the former Watanabe faction, Yamazaki's standing is not as high as Kato in the former Miyazawa faction. However, there is more than minor significance in the fact that there was a break down in long years of rigid seniority rankings in the old factions.

Additionally, the fact that mid-level officials such as Kamei and Nonaka were assigned to key posts comparable to the key three party official posts vividly demonstrates the diminishing voice of old faction leaders, and demonstrates that a major shift in party leadership is no longer avoidable.

Is Kajiyama, Who Seeks To Become a "Second Kanemaru," Hashimoto's Friend or Foe?

Veteran parliamentarians, sensing a strong crisis in such trends, have nominated former Secretary General Seiroku Kajiyama as their leader, and have formed a "bifactional" parliamentarian group called "Association for Deliberating the Future of Japan." However, people refer to Kajiyama, who often creates turmoil for better or worse when he starts to move on political issues, as "notorious for making surprise moves" (former official of Mitsuzuka faction).

If one observes his political actions carefully, one notes a nihilistic element. He is a member of the wartime generation who was born in 1925, was around 20 years old when Japan was defeated in World War II, and witnessed a total breakdown in value concepts. It is probably a case in which Kajiyama's dampish qualities are rooted in such events.

He is well known for having played a role in "assisting" in the termination of the Kaifu and Miyazawa governments. He even took the initiative in the removal of Kono as an LDP presidential candidate.

On the other hand, there is no mistaking the fact that while he has contributed the most in the way of support for Hashimoto, his relationship with Hashimoto has begun to reflect sudden turbulence. Reportedly, Hashimoto associates are well aware of Kajiyama's characteristics and are making an earnest effort to reestablish amicable relationships between the two.

There is the view that Kajiyama aims to build a new bifactional veteran parliamentarians' group under the small-electoral district system. It would not be strange for Kajiyama, who is still a worshipper of Kakuei Tanaka's philosophy that "There is strength in numbers," to seek the position of a *second political boss* to succeed Kanemaru.

Another function that Kajiyama assumes is that of mentor for Prime Minister Murayama, wherein he makes an appearance relative to all important situations. As a major defeat of SDPJ candidates became decisive in the summer's House of Councillors' election (23 July), Kajiyama telephoned Murayama who had confined himself to the Prime Minister's Residence and cautioned him about quitting, saying, "You must not become discouraged at this time. We of the wartime faction are strong in adversity. You must not say that you are going to quit (as prime Minister) under any circumstance."

When Murayama, on his way to visit the Middle East, expressed his intent to resign at an early date during talks with reporters in Jerusalem, Kajiyama immediately visited Murayama at the Prime Minister's Residence

upon return to Japan. He encouraged Murayama by commenting, "Rumors circulating about you making the 'APEC [Asian-Pacific Economic Cooperation] meeting the grand finale of your tour as prime minister are out of the question. We would like to have you personally take charge of the approval process for next year's budget."

Even in connection with the misstatement of Eto, former Management and Coordination Agency director general, when strict disposition of the case seemed to have resolved the issue but unexpected reaction from South Korea occurred, the flustered Murayama first contacted Kajiyama and not LDP President Hashimoto. "Kajiyama. The APEC meeting is nearing and if conditions remain as they are now, the government cannot survive. I wonder if there is something we can do?"—As Kajiyama discerned the overall situation upon hearing Murayama's desperate words, he went over President Hashimoto's head and directly contacted Sadanori Yamanaka, former Watanabe faction official and former minister of International Trade and Industry, (said to be Eto's mentor) and conveyed the message to Eto via Yamanaka that he should resign himself to the inevitable.

However, even Kajiyama, who conducts himself as if he is Murayama's mentor, is said to be "constantly thinking, in reality, at all times that there will be a point when the current government will terminate and the reins will be passed on to Hashimoto" (Kajiyama associate).

In this connection, the LDP led by Hashimoto underwent its first test during the special elections to fill a vacancy in the House of Councillor Saga electoral district when it scored a modest victory as a result of the all-out LDP party effort. Basically, Saga is a region where the conservative forces are strong and it is impossible to predict the future on the basis of that one election result, but there is probably no mistaking the fact that victory in the first election will provide psychological impetus for a variety of future elections.

Of special note is that the tabling of an easy-to-comprehend issue for the public such as the Religious Corporation Law revision assisted in garnering support from the agricultural sector.

Reason Why "Prime Minister Hashimoto" Will Not Be Readily Accepted After Murayama

Two years ago when the non-LDP coalition government was born and it was thrust out of office, the LDP faced an identity crisis. That being the case, one can say that the LDP after a hiatus has seized upon an easy-to-understand "offensive tool" and opportunity for a counteroffensive by sponsoring the revision of the stated law.

LDP party executives including Secretary General Kato gathered secretly before the APEC conference and conducted a fairly detailed analysis of the future political outlook, and it is said that agreement was reached on the perception that "making the APEC meeting the grand finale for Murayama's tour as prime minister is unrealistic in view of the situation in which the government faces a number of political issues such as Okinawa and the budget" (comments by attendee). However, reportedly the attendees basically agreed with the perception that spring of next year, when the budget for the next fiscal year is approved, would signal the *end* of the Murayama government.

However, even if Murayama should surrender power next spring, "there is a need for a strict awareness that that change will not immediately lead to the birth of a Hashimoto government." (LDP elder).

In any event, the key to the situation will be the attitude of the SDPJ. Under present circumstances, there are no signs that the SDPJ as a whole will readily agree to a "Prime Minister Hashimoto." When it comes to the designation of a prime minister, we cannot deny the potential that "rather than the leftists, the rightwing group led by General Secretary Kubo or Vice Chairperson Kanju Sato will embark on some sort of revolt" (SDPJ source).

Moreover, there is no doubt that if a movement to form a "new socialist party, which is facing difficulty, should become reality (although hopeless for 1995), there will be a sudden explosion of a movement to reexamine the current coalition government among those pushing for a new socialist party. If that should happen, we will see the disintegration of the largest basis for a "transfer of government to Hashimoto" and may end up with the betrayal of all expectations on the part of the LDP.

The concept for an alliance between two conservative elements which persists in the LDP was created as a plan of last resort in the event the three-party alliance should break down, but even that concept is not as strong as it once was. The reason is that the recent attacks on the Soka Gakkai have converted elements formerly friendly towards the concept into enemies within the New Frontier Party.

Of special note is that, reportedly, anti-Soka Gakkai and anti-Ozawa sentiments among the current executive department including Kato and Yamazaki "border on hatred" (Kato associate) and there are even those who carry logic to the extreme in saying, "If we are thinking of allying ourselves with the New Frontier Party, we would be better off allying ourselves with the Communist Party" (party official).

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Even in connection with the misstatement of Eto, former Management and Coordination Agency director general, when strict disposition of the case seemed to have resolved the issue but unexpected reaction from South Korea occurred, the flustered Murayama first contacted Kajiyama and not LDP President Hashimoto. "Kajiyama. The APEC meeting is nearing and if conditions remain as they are now, the government cannot survive. I wonder if there is something we can do?"—As Kajiyama discerned the overall situation upon hearing Murayama's desperate words, he went over President Hashimoto's head and directly contacted Sadanori Yamanaka, former Watanabe faction official and former minister of International Trade and Industry, (said to be Eto's mentor) and conveyed the message to Eto via Yamanaka that he should resign himself to the inevitable.

However, even Kajiyama, who conducts himself as if he is Murayama's mentor, is said to be "constantly thinking, in reality, at all times that there will be a point when the current government will terminate and the reins will be passed on to Hashimoto" (Kajiyama associate).

In this connection, the LDP led by Hashimoto underwent its first test during the special elections to fill a vacancy in the House of Councillor Saga electoral district when it scored a modest victory as a result of the all-out LDP party effort. Basically, Saga is a region where the conservative forces are strong and it is impossible to predict the future on the basis of that one election result, but there is probably no mistaking the fact that victory in the first election will provide psychological impetus for a variety of future elections.

Of special note is that the tabling of an easy-to-comprehend issue for the public such as the Religious Corporation Law revision assisted in garnering support from the agricultural sector.

Reason Why "Prime Minister Hashimoto" Will Not Be Readily Accepted After Murayama

Two years ago when the non-LDP coalition government was born and it was thrust out of office, the LDP faced an identity crisis. That being the case, one can say that the LDP after a hiatus has seized upon an easy-to-understand "offensive tool" and opportunity for a counteroffensive by sponsoring the revision of the stated law.

LDP party executives including Secretary General Kato gathered secretly before the APEC conference and conducted a fairly detailed analysis of the future political outlook, and it is said that agreement was reached on the perception that "making the APEC meeting the grand finale for Murayama's tour as prime minister is unrealistic in view of the situation in which the government faces a number of political issues such as Okinawa and the budget" (comments by attendee). However, reportedly the attendees basically agreed with the perception that spring of next year, when the budget for the next fiscal year is approved, would signal the *end* of the Murayama government.

However, even if Murayama should surrender power next spring, "there is a need for a strict awareness that that change will not immediately lead to the birth of a Hashimoto government." (LDP elder).

In any event, the key to the situation will be the attitude of the SDPJ. Under present circumstances, there are no signs that the SDPJ as a whole will readily agree to a "Prime Minister Hashimoto." When it comes to the designation of a prime minister, we cannot deny the potential that "rather than the leftists, the rightwing group led by General Secretary Kubo or Vice Chairperson Kanju Sato will embark on some sort of revolt" (SDPJ source).

Moreover, there is no doubt that if a movement to form a "new socialist party, which is facing difficulty, should become reality (although hopeless for 1995), there will be a sudden explosion of a movement to reexamine the current coalition government among those pushing for a new socialist party. If that should happen, we will see the disintegration of the largest basis for a "transfer of government to Hashimoto" and may end up with the betrayal of all expectations on the part of the LDP.

The concept for an alliance between two conservative elements which persists in the LDP was created as a plan of last resort in the event the three-party alliance should break down, but even that concept is not as strong as it once was. The reason is that the recent attacks on the Soka Gakkai have converted elements formerly friendly towards the concept into enemies within the New Frontier Party.

Of special note is that, reportedly, anti-Soka Gakkai and anti-Ozawa sentiments among the current executive department including Kato and Yamazaki "border on hatred" (Kato associate) and there are even those who carry logic to the extreme in saying, "If we are thinking of allying ourselves with the New Frontier Party, we would be better off allying ourselves with the Communist Party" (party official).

Among the concerns which the LDP are spreading is that the "formation of a new socialist party will be postponed until the spring of 1996 and that Murayama intends to call for a dissolution and general election after approval of the budget" (source with group promoting new socialist party).

However, many problems confront Murayama. Even though he may be an "expert at compromise," there are a number of hurdles in the way of coalition government coordination that he must overcome such as the proxy signature for use of Okinawan military installations, the defense plan, and land tax issues including that of freezing land value taxes, which means a very rough row to hoe considering his advanced age of 71. Moreover, "If the new party is not established within 1995, he might have to assume responsibility and resign," as stated by General Secretary Kubo (Kubo's statement falls in the category of the wolf and a young boy and very few sources take him at face value), leaving much in the way of causes for turbulence.

One of the three key LDP officials recently cautioned in reference to Prime Minister Murayama's exercise of dissolution authority, "The Murayama government will have finished its role when it completes work on the budget for the next fiscal year. The exercise of dissolution on the part of an individual who will not be participating in the next general election is inconceivable and he has no choice but to undergo a mass resignation." However, in order to survive without transforming the Murayama SDPJ into a new party, Prime Minister Murayama has no choice but to go the route of dissolution and a general election, placing Murayama himself in an interminable dilemma. Accordingly, after January 1996, there is the possibility of a controversy between the LDP and the SDPJ over exercise of the dissolution authority.

There is the possibility that the SDPJ, which strongly cautions against an early dissolution, will, even if it intends to pass on government reins to an LDP-led Hashimoto, "ask that dissolution and general election be postponed until the very end of the current term (June 1997)" (Kato associate). In any event, there is no mistaking the fact that the Hashimoto-led LDP and Murayama-led SDPJ will face a very crucial situation in the spring of 1996.

Japan: Affiliated Production Plants in U.S. Rising
OW0102115496 Tokyo KYODO in English
1008 GMT 1 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 1 KYODO — The number of Japanese-affiliated manufacturing plants operating in the United States increased by 15 to

1,696 in 1995, posting an increase for the first time in three years on the back of the healthy U.S. economy, the Japan External Trade Organization (JETRO) said Thursday [1 February].

Japanese-affiliated plants in the U.S. were also looking more closely at Mexico and Canada, despite the fiscal crisis experienced by Mexico in late 1994, with 76 plants planned for Mexico and 32 eyed for Canada, JETRO said.

The findings were a result of their annual survey in September on manufacturing plants which have 10 percent or more of their capital from Japanese companies, JETRO said.

Japan: Mitsubishi To Get Space Project Contract
OW0102015696 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 27 Jan 96 Morning Edition p 9

[FBIS Translated Text] On 26 January, the Mitsubishi Electric Corporation was tentatively picked as a major contractor for a project to develop the next-generation engineering satellite which the National Space Development Agency [NASDA] plans to launch in FY2000. Japan's new space development policy outline calls for strengthening competitiveness of Japanese space industries. The project to develop a new engineering satellite is a concrete step in this direction under the new outline. Researchers will strive to standardize basic devices and shorten development time in order to help reduce satellite development costs. Changes will also be made to the current ordering system. Japan, which has traditionally placed primary emphasis on promoting technological progress, will now try to secure competitiveness via cooperation between the government and the private sector.

Researchers plan to develop the "data relay and tracking satellite (DRTS)," which will relay to ground stations vast amounts of data accumulated through observations and experiments conducted by satellites and various spacecraft and keep tracking them. Development projects will begin in FY96, and the new satellite will be launched in FY2000 by the H-2, a giant rocket which has been developed by Japanese technology. Overall development costs are estimated to total around 40 billion yen.

Japan's satellite development is now world class in terms of technology. However, development costs have always been more than double the average costs in other countries involved in space development. As a result, Japan has been unable to compete in the commercial space market. The DRTS will be designed so that its "bus," a basic functional component of the satellite's

operating system, can be converted to use on 1-ton-class commercial communications satellites which will be essential to the coming multimedia age. Scientists will be given only four years to develop the DRTS. This is shorter than the time normally set aside in past development projects. Therefore, they also plan to use inexpensive, yet reliable, imported parts in the satellite's assembly.

Mitsubishi will receive the contract for the overall project as a major contractor, while the NEC Corporation, Toshiba Corporation, and Ishikawajima-Harima Heavy Industries Co., Ltd. will participate in the project as supporting firms.

The NEC Corporation will be mainly in charge of the project's mission, including the satellite's ability to process its own experimental data and data collected from other satellites and spacecraft. Ishikawajima-Harima Heavy Industries is expected to handle the satellite's propulsion system.

So far, NASDA has concluded separate contracts with individual firms participating in past satellite development projects. However, to improve overall coordination among participating firms, NASDA has decided to switch to a system of designating a major contractor.

Japan's space development policy outline, which has been revised for the first time in seven years, aims at reducing costs of building the H-2 rocket and developing new satellites. The DRTS project, which is the first step in this direction, is drawing the attention of space industry-related firms.

Japan: Minister Urging Pay Increase in Spring Wage Talks

*OW3001042696 Tokyo KYODO in English
0341 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Companies enjoying brisk earnings should offer pay increases in the upcoming annual "spring offensive" wage negotiations to help buoy the morale of their employees and prop up the economy, Labor Minister Takanobu Nagai said Tuesday [30 January].

"Enhancing purchasing power is an important means to stimulate the economy," Nagai said at a news conference after a regular cabinet meeting.

The comments came at a time when the Japan Federation of Employers Associations (Nikkeiren) are calling for pay rates to be frozen, while automakers and other business circles are arguing that some wage hikes are necessary to avoid dampening the economy.

"I don't think it's very good to assume the suspension of wage increases from the beginning," Nagai said.

The Labor Ministry usually takes a neutral stance about spring pay talks and other labor-management negotiations. Nagai said his comments represent his personal views and the issue of wages should be resolved primarily between labor and management.

Nagai is from the Social Democratic Party, which is backed mainly by labor unions.

North Korea

DPRK: U.S. 'Adventurous Intention' Alleged

*SK0102083296 Pyongyang KCNA in English
0808 GMT 1 Feb 96*

[*"U.S. Scheme To Stage War Games Around Korean Peninsula" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — The United States is scheming to stage military exercises off the Korean peninsula in mid February, the KYODO news reported on January 30.

KYODO quoted a U.S. Navy spokesman as saying that the U.S. aircraft carrier Independence will engage in the exercises.

The carrier will leave the Yokosuka Base in Japan on Feb. 9 and conduct naval exercises in the western Pacific until March 13, the report said.

The scheme to continue military exercises around the Korean peninsula proves that the United States still has an adventurous intention to stifle the DPRK by force of arms.

DPRK: U.S. 24-29 Jan 'Aerial Espionage' Reported

*SK3101054596 Pyongyang KCNA in English
0420 GMT 31 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — The U.S. imperialist aggressors committed aerial espionage on the northern half of Korea on more than 200 occasions this month, by mobilizing many strategic and tactical reconnaissance planes of different missions deployed in overseas bases and South Korea, military sources said.

On Monday [29 January], a U-2 was sent to the skies above Tokjok Islet on the West Sea of Korea [Yellow Sea]. This high-altitude strategic reconnaissance plane made shuttle flights along the Military Demarcation Line [MDL] to perpetrate photographing and electronic espionage on major targets in the depth of the DPRK.

The espionage by this plane in January totalled 35 occasions.

On January 24 and 26, an overseas-based RC-135 strategic reconnaissance plane made a flight along the MDL from east to west for a long time to perpetrate electronic and photographing espionage acts with the whole territory of the DPRK as a target.

On the 25th and 26th, overseas-based P-3 patrol planes flew to the skies above the West Sea of Korea to have espionage on waters and seabed of the DPRK.

Besides, on the 26th, eleven reconnaissance planes including RC-135, U-2, E-3 AWACs and tactical reconnaissance planes flew in the skies above the MDL to perpetrate the acts of intensive espionage on the frontline areas, east and west coasts and in depth of the DPRK.

This clearly shows that the U.S. imperialists' aggressive design to stifle the DPRK has remained unchanged though they talk about peace and detente in the Korean peninsula.

DPRK: CPRF Denounces U.S., ROK 'War Exercises' Plan

SK0102043196 Pyongyang KCNA in English
0426 GMT 1 Feb 96

["Projected War Exercises Against DPRK Denounced"
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — A spokesman for the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued a statement on January 31 denouncing the South Korean puppets and the U.S. bellicose forces for scheming to stage unprecedented war exercises to invade the Democratic People's Republic of Korea.

The South Korean puppets scheme to hold U.S.-South Korean joint manoeuvres and large-scale separate military drills of the puppet army this year 30 percent more frequently than last year and 50 percent more than the average figure.

Worse still, they plan to stage a "joint drill" in the mainland of the United States in mid-February with the U.S. forces which would be dispatched to South Korea in "case of emergency" on the Korean peninsula.

Branding the war exercises as premeditated manoeuvres intended to complete preparations for invading the DPRK at the final stage and unleash another war against the DPRK any moment, the spokesman said:

"Threats from the North" the puppets talk a great deal about is a lie and a plot to justify their frantic war drills

and shift the responsibility for the tense situation on the Korean peninsula onto the DPRK.

The war fever incited by the puppets more clearly reveals that their outcries for "improvement of North-South relations" and "dialogue" are nothing but a hypocrisy.

All the facts eloquently prove that the military danger on the Korean peninsula does not come from the North but from the South owing to the traitorous Kim Yong-sam group.

If the South Korean rulers are truly interested in peace on the Korean peninsula and the improvement of inter-Korean relations, they must immediately refrain from planning the criminal war manoeuvres against the fellow countrymen and stop the anti-DPRK smear rackets.

We will follow with sharp revolutionary vigilance the reckless confrontation and war rackets the South Korean puppets plan to stage with outside forces. If they finally encroach upon our inviolable sovereignty even a little in defiance of our repeated warnings, we will mete out severe punishment to the provokers and annihilate them.

DPRK Commentator on Planned ROK-U.S. 'Computer Mock War'

SK0102151596 Pyongyang Korean Central
Broadcasting Network in Korean
1225 GMT 31 Jan 96

[Kim Ho-sam commentary: "Escalating, Dangerous War Exercise"]

[FBIS Translated Text] According to a Seoul broadcast report, over 300 brass hats, including the deputy commander of the South Korea-U.S. Combined Forces Command [CFC], will stage a mock war on computerized maps against us with the Third U.S. Army Corps in Texas, in southern United States, in March.

When announcing this, the South Korea-U.S. CFC said that the computer mock war would be staged to beef up the South Korea-U.S. capability for joint military operations and strengthen the U.S. forces' assistance to South Korea. This shows the U.S. imperialists and the South Korean puppets are maneuvering, in a very grave stage, to provoke a new war on the Korean peninsula. This arouses our vigilance, as a matter of course.

As everyone knows, because of the intense war maneuvers by the U.S. imperialists and the South Korean puppets, the situation on the Korean peninsula is developing unpredictably. The United States has recently been viciously conducting aerial reconnaissance on our area in depth on an unprecedented scale. In January,

the United States flew approximately 200 in-depth reconnaissance flights, flying strategic and tactical reconnaissance planes of all sorts from east to west and vice versa in our country. It is almost daily conducting surprise bombing exercises with fighters and bombers of all sorts. It mobilizes an average of approximately 640 planes a day in these exercises.

While conducting these aerial war exercises, the United States is also frantically conducting naval war exercises designed to attack us. As has already been reported, on two occasions, on 10 January and 20-29 January, the United States conducted a large-scale joint submarine exercise with the South Korean puppets. It plans to conduct a similar one in mid-February.

While perpetrating these war frenzies in the air and on the sea, the U.S. imperialists and the South Korean puppets, on the ground, as well, are also deploying large-caliber machine guns 90mm recoilless guns in the areas close to the demarcation line and threatening the safety of civil police personnel of our side.

The Kim Yong-sam ring of South Korea is bringing in the latest operational equipment from the United States in large quantities. An example is the fact that on 22 January, the puppets brought in P3C antisubmarine patrol planes that have capabilities to locate and attack submarines and lay mines and have early warning capabilities. Eight antisubmarine patrol planes had already been deployed in South Korea.

Like this, the U.S. imperialists and the South Korean puppets are seeking further arms buildup in South Korea and intensifying the war exercises against our Republic.

An example of the escalation of war exercises is the fact that the U.S. imperialists have announced that it would conduct a bombing exercise in mid-February in the east coast of our country with B1B and B-52 strategic bombers capable of carrying nuclear bombs.

After conducting these exercises, the U.S. imperialists and the South Korean puppets will gather South Korean and U.S. military brass hats in Texas, the United States, to further streamline the operational command system. This is why the computer mock war is grave.

Then, why are the U.S. bellicose elements and the South Korean puppets these days persistently raving about threats from the North, which are nonexistent, and frantically conducting war exercises? They are doing so to pass unto us the blame for the fact that the situation on the Korean peninsula has been brought to the brink of war, divert attention from the Kim Yong-sam ring and the United States, which have been the focus of public opinion because of the slush fund scandal, and escape from the political crisis in South Korea.

The U.S. imperialists and the South Korean puppets are beefing up their war preparations with the calculation that in the worst case, they would try to escape from the crisis by provoking a new war and, then, acquire military and strategic superiority over us. Toward this end, they are conducting war exercises to enhance the South Korea-U.S. capability for joint military operations in divisions and corps by all means. This is clearly proven by the announcement that over 300 brass hats, including the deputy commander of the South Korea-U.S. CFC, will participate in the computer mock war.

All these facts show that the U.S. imperialists and the South Korean puppets are conducting new war exercises in a very grave stage.

Even though the U.S. imperialists and the South Korean puppets are conducting adventurous war exercises to divert the South Korean people's attention elsewhere, this will not frighten anyone or serve as a measure to resolve the crisis facing the South Korean regime. The reckless war exercise maneuvers by the U.S. imperialists and the South Korean puppets will more clearly disclose their colors as war maniacs to the people of the world.

Our people are closely watching the military movements of the U.S. imperialists and the South Korean puppets. The U.S. imperialists and the South Korean puppets must stop their dangerous war exercise maneuvers.

DPRK Reports National Democratic Front Meeting in ROK

*SK0102091196 Pyongyang KCNA in English
0838 GMT 1 Feb 96*

[FBIS Transcribed Text] Pyongyang, February 1 (KCNA) — A meeting of the presidium of the Central Committee of the National Democratic Front of South Korea (NDFSK) was held in Seoul on January 30.

Yi Chong-sang, chief of the Pyongyang Mission of NDFSK, called a press conference on January 31 and informed home and foreign reporters of the meeting and of "orientation of the national democratic movement and immediate tasks" examined and decided on at the meeting.

Yi said that the meeting was convened to follow up the successes gained by NDFSK and broad sections of patriotic-minded people in the national democratic movement in South Korea last year and make this a historical year that marks a new epoch in the struggle for the overthrow of the Kim Yong-sam group and for independence, democracy and reunification.

Discussed at the meeting were the present situation, the immediate orientation of the development of the national democratic movement, a proposal to invigorate

the external activities of NDFSK to meet the requirements of the situation facing the movement for transformation of South Korea and an organisational matter.

It was noted at the meeting that the present situation was characterised by the fact that the Kim Yong-sam-bossed traitors, who find themselves faced with a political situation of confusion and crisis as a result of their anti-popular, anti-democratic and anti-reunification policies, are making a last-ditch effort and by the fact that the U.S. imperialists are resorting to the open interference in the internal affairs of South Korea for a strategy of colonial domination over it and committing military provocations.

"Orientation of the national democratic movement and immediate tasks" examined and decided on at the meeting says that the basic orientation of the national democratic movement for this year is to firmly maintain anti-U.S. independence as a strategic line of struggle, bring earlier the day of destruction of the Kim Yong-sam "civilian" dictatorial "regime", deal a decisive blow at the colonial fascist forces and push ahead with a brisk non-governmental movement for independent reunification.

Among the slogans that should be put up constantly in the struggle for independence against the U.S. this year are a halt to the colonial domination and to the support for the dictatorial "government", the withdrawal of the U.S. imperialists, frustration of market opening and opposition to the pressure in trade, abrogation of the "Status of Forces Agreement" between South Korea and the U.S., condemnation of GIs' atrocities, retaking of the right of military operation command, nullification of the expenditures for the upkeep of the U.S. Forces, establishment of peace-keeping mechanism and so on.

The national democratic movement forces should develop all the anti-U.S. struggles into those for terminating the U.S. colonial rule and establishing national sovereignty under these slogans without fail.

It is an immediate task of the national democratic movement for this year to wage a powerful, anti-fascist struggle for democracy so as to overthrow the Kim Yong-sam "civilian" dictatorial "regime". The national democratic forces should overpower the "general election" campaign of thieves to be held in April with the vigorous struggle against Kim Yong-sam and drive the "New Korea Party" into failure so as to bring earlier the destruction of the "civilian" dictatorship.

We should pay deep attention to enhancing the role of the masses, the masters of the transformation movement, in the brisk movement for independence, democracy and reunification and concentrate on this.

"Let us decisively enhance the role of the masses!" — This is the main slogan that should consistently be maintained and implemented in the movement for independence, democracy and reunification this year.

Movement organisations of various social strata and people from all walks of life should get united under the flag of independence, democracy and reunification irrespective of ideology, political view, party affiliation, ism and assertion.

DPRK Peace Committee on ROK Nuclear Facilities Plan

*SK3101214896 Pyongyang KCNA in English
1507 GMT 31 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — We cannot remain an onlooker to the fact that South Korean puppets plan to build nuclear facilities near the Military Demarcation Line [MDL], while incessantly staging reckless military manoeuvres and committing military provocations against the North over the fiction of the "threats from the North".

Our people strongly demand that the traitorous Kim Yong-sam clique put an immediate halt to the criminal scheming for driving the nation into nuclear holocaust.

The spokesman for the Korean National Peace Committee said this in a statement today denouncing the South Korean ruling quarters for planning to build nuclear power plants and a nuclear waste depository near the MDL.

The spokesman called upon all the Koreans in the North, the South and overseas to wage a more powerful struggle to keep the Kim Yong-sam group from building nuclear facilities.

He expressed the conviction that the peaceloving peoples around the world will extend full support for and solidarity with the Korean people in their struggle against the planned construction of nuclear facilities of the Kim Yong-sam group.

DPRK: ROK's Kim Yong-sam Attempts To 'Cover Up' Graft

*SK3001112696 Pyongyang KCNA in English
1011 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — Traitor Kim Yong-sam is making desperate efforts to cover up his color as the "civilian" kingpin of theft with a new political deceptive drama. In this regard, the Propaganda Department of the Central Committee of the National Democratic Front of South Korea published a statement on January 24, the Seoul-based radio Voice of National Salvation said.

The statement noted that the corrupt politics of South Korea, which has become infamous as an "empire of black money", has reached the worst phase with No Tae-u-Kim Yong-sam fusion based on black money and public protest against it is growing stronger.

It said:

Traitor Kim Yong-sam is the No.1 "election" offender as he won the "presidential election" by using a colossal amount of money amassed at the cost of blood and sweat of the people, and a heinous criminal who should have been judged and punished without mercy by history and the people.

He is now kicking up a row of "liquidation of the past wrongdoings" under the slogan of "putting history to rights", in a crafty attempt to patch up the case of the 1992 "presidential election" fund and emerge from the crisis caused by the slush fund scandal. This is an act of fooling the people.

The disgraceful history, in which thieves are lording it over the people, can never be put to rights now that the corrupt system of South Korea, a complex of power, money and intrigue, has not been reformed fundamentally and the truth behind the "civilian" dictator's irregularities, which surpassed the military dictators' by far, has not been opened to the public totally.

Traitor Kim Yong-sam is bluffing as if he solved the Kwangju problem through the enactment of May 18 special law and the arrest of Chon Tu-hwan, but they are intended only to "avert the crisis".

The enactment of the May 18 special law is a brainchild of the United States and Kim Yong-sam sharing the same interests. Through the enactment of the law, the former wants to profit in the Kwangju problem with Chon Tu-hwan and No Tae-u, who have already disappeared from the political arena, as a bait, and the latter seeks to save himself from the serious situation caused by the slush fund scandal.

If history is to be truly put to rights in South Korea, the U.S. colonial domination should be terminated and rotten politics and corrupt system should be totally removed, the statement said.

DPRK: Protest in ROK of Ruling on Newspaper Noted

*SK3101053596 Pyongyang KCNA in English
0422 GMT 31 Jan 96*

["HANGYORE Sinmun Unionists Protest Against Unreasonable Judgement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — More than 300 union members of the

newspaper HANGYORE SINMUN of South Korea lodged a protest with the puppet judicature against its unreasonable judgement defending the traitor Kim Yong-sam's clan, according to a radio report from Seoul.

When Kim Hyon-chol, second son of Kim Yong-sam, sued HANGYORE SINMUN for "libel" as it exposed his irregularities, the puppet judicature ruled that the newspaper should make a compensation.

In this regard, the union members called an extraordinary meeting at the newspaper office in Seoul on January 26 and declared that the judgement is unreasonabable and ill not be accepted.

"We can not repress indignation at the judgement of the judicature over the case, which is not a mere issue of libel but a fight between the press and power," they said.

They stated that they would wage a decisive struggle for its solution.

DPRK: Cambodian Deputy Premier Arrives

*SK3001231296 Pyongyang KCNA in English
1507 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — Kong Sam-ol, deputy prime minister in charge of the Royal Palace of Cambodia, and his party arrived here today. They were met at the airport by Vice Foreign Minister Choe U-chin.

DPRK: Cambodia's Sihanouk Sends Flowers to Mansu Hill

*SK3001230696 Pyongyang KCNA in English
1508 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — Cambodian King Norodom Sihanouk sent a floral basket to the statue of the Great Leader President Kim Il-song on Mansu Hill here.

The basket was placed before the statue today by Kong Sam-ol, Cambodian deputy prime minister in charge of the Royal Palace who is now on a visit to Korea.

Written in the ribbon of the basket were letters "Tribute to his Excellency Generalissimo Kim Il-song, the immortal hero of Korea."

DPRK: Red Cross Leader Interviewed on Food Aid

*OW0102012996 Tokyo KYODO in English
0106 GMT 1 Feb 96*

[FBIS Transcribed Text] Geneva, Jan. 31 KYODO — The head of the Red Cross aid delegation to North Korea said Wednesday [31 January] there is "considerable

controversy" within the Pyongyang government whether or not it should ask for more international assistance for the victims of last summer's disastrous floods.

Piero Calvi-parisetti, head of the International Federation of Red Cross Society delegation in Pyongyang, told KYODO news, "I am afraid to say that, recently, officially, from the government to us, North Koreans expressed concern of the military for the poor response that followed the government's request for help."

"Therefore, there is considerable discussion, considerable controversy within the government, over whether or not more appeals for help should be issued," he said.

Calvi-parisetti, who stayed in North Korea for almost four months from early October last year to monitor the distribution of Red Cross aid materials, returned Wednesday to Geneva from Pyongyang. He reported the serious food situation to the federation's head office.

He quoted Choe Su-hon, North Korean vice foreign minister, as saying, "Many times humanitarian aid comes with political strings. That is the concern of the military and the concern of the government."

Choe revealed the intragovernmental debate on the international aid in the conversation with Calvi-parisetti immediately after the tripartite vice ministerial meeting last week in Honolulu on food aid to North Korea. The meeting among Japan, South Korea and the U.S. ended without agreements.

North Korean officials, however, said the Red Cross aid would have "special preference" because it is "neutral," according to Calvi-parisetti.

To maintain this "neutrality," while heeding the political sensitivity of the North Korean Government, the federation recently asked the South Korean Red Cross not to send any more cup noodles with brand names on them.

"There is certainly sensitivity and the situation is not easy. We have to respect the independence and neutrality of the Red Cross," Calvi-parisetti said.

He said he had been given complete freedom of movement within North Korea during his recent stay to monitor the aid distribution.

"I certainly talked to the people, who are very scared about their food security," he said. "I remember a woman of 71 telling us, 'If our food aid stops, we don't know how we will survive'."

"This is a clear, unequivocal message of the end users," he said.

Calvi-parisetti predicted that the country might face a "major outbreak of malnutrition" later this year unless more food aid arrives there.

"There are some very initial indicators of malnutrition," he said.

DPRK: Kim Chong-il Thanks Units, Officials, Workers

*SK3001041396 Pyongyang KCNA in English
0246 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the Women's Union members in Pongyang workers' settlement, Paecheon County, South Hwanghae Province, the officials of the local Trade Guidance Bureau of the State External Economic Affairs Commission, Vice-chairman of the commission Cho Won-myong, a senior prosecutor of the central public prosecutor's office Chu Ung-song and other units, officials and working people for their sincere support to the People's Army.

His thanks also went to officials and builders in Sinchon and Anak Counties in South Hwanghae Province for their contribution to successful construction of rural dwelling houses and to An Yun-tok, first secretary of the Nampo Municipal Committee of the Kim Il-song Socialist Youth League, and other youth league officials in the municipality for their exemplary support to coal mines.

DPRK: Soldiers Hold Rally on Defending Kim Chong-il

*SK0102021096 Pyongyang Korean Central
Broadcasting Network in Korean
2200 GMT 31 Jan 96*

[FBIS Translated Text] On 31 January in the 25 April Cultural Hall, a rally of soldiers of the Ministry of People's Armed Forces was held to firmly prepare themselves to be personal guards and do-or-die unit members who will safeguard the headquarters of our revolution headed by [subanuro hanun] the great Comrade Kim Chong-il with their lives by following and learning from the model of O Chung-hup's Seventh Regiment.

The meeting hall was filled with officers and men resolved to glorify our party's glorious tradition at the fore to defend the leader of the revolution and to fight by unhesitatingly dedicating their lives to the respected supreme commander Comrade Kim Chong-il, our destiny and ever-victorious banner.

A portrait of the great leader Comrade Kim Il-song and a portrait of Comrade Kim Chong-il, supreme commander of the Korean People's Army (KPA), were respectfully placed at the front of the hall with a red banner as their background.

Slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]!" were also placed in the meeting hall.

In addition were the slogans "Let us defend the headquarters of the revolution headed by the great Comrade Kim Chong-il with our lives!" and "The entire army should become today's Seventh Regiment that defends the headquarters of the revolution with its life!"

Red banners, which are our faith, conscience, and sign of struggle; letters such as "do-or-die defense," "stronghold," "shield," "personal guards," and "do-or-die unit"; and large pictures were hung up in the meeting hall.

Military flags of the Army, Navy, and Air Force of the KPA were placed at the rostrum, and honor guards stood in line.

Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and minister of the People's Armed Forces; Comrade Cho Myong-nok, director of the KPA General Political Bureau and a KPA vice marshal; Comrade Kim Yong-chun, chief of the General Staff of the KPA and a KPA vice marshal; Comrade Kim Kwang-chin, first vice minister of the People's Armed forces and a KPA vice marshal; and responsible functionaries, generals, officers, and men of the Ministry of People's Armed Forces attended the meeting.

The meeting began with the singing of "The Song of the Respected Comrade Kim Chong-il."

Comrade Choe Kwang issued a report. Following this, Vice Marshal Kim Kwang-chin, general officers Pak Chae-kyong and Chu To-hyon, and officer An Chol-nam participated in the discussion.

Comrade Kim Chong-il, supreme commander of the KPA, has indicated: "The entire army should become today's Seventh Regiment, which defends the headquarters of the revolution with its life!" This is a strategic slogan that the People's Army should uphold at present. By upholding this slogan and vigorously carrying out the movement to win the title of O Chung-hup's Seventh Regiment, the People's Army should further glorify the tradition of safeguarding the leader, which has been highly displayed together with the proud history of our revolutionary armed forces.

The reporter and debaters stressed that the movement to follow and learn from the model of O Chung-hup's Seventh Regiment is glorious and worthwhile work to invariably defend and protect the lineage of the anti-Japanese revolution and to firmly uphold the chuche

revolutionary cause with rifles and guns. They pointed out that the Seventh Regiment was a loyal vanguard that safeguarded the leader [suryong] of the revolution in the Paektu forest, and was a genuine model of the chuche-style revolutionary army.

The slogan "The entire army should become today's Seventh Regiment that defends the headquarters of the revolution with its life," put forward by the respected comrade supreme commander, is a strategic slogan which our People's Army should uphold in brilliantly inheriting and accomplishing the chuche revolutionary cause by following the leadership of the comrade supreme commander. It is a slogan of succession, a beacon fire for pioneering a genuine destiny, and a sign of our everlasting faith.

They emphasized that the movement to win the title of O Chung-hup's Seventh Regiment, carried out under this slogan, is a new and lofty type of communist mass movement that calls for following and learning from the model of the Seventh Regiment and for staunchly defending and protecting the headquarters of our revolution. It is a collective innovation movement to firmly prepare all officers and men to be guns and rifles to defend the headquarters of the revolution with their lives and to make the People's Army the personal guards and do-or-die units of the respected comrade supreme commander.

The reporter and debaters pointed out that commanders and soldiers of the Ministry of People's Armed Forces in the capital, keenly realizing the demand of the time and the revolution as well as the importance of our revolutionary mission, should become the model for the entire country and the forerunners in following and learning from the struggle spirit and outlook of O Chung-hup's Seventh Regiment. Thus, they should more firmly prepare themselves to be personal guards and do-or-die units to defend the headquarters of the revolution with their lives.

Stating that what is most important in following and learning from O Chung-hup's Seventh Regiment is to safeguard the respected supreme commander Comrade Kim Chong-il with their lives, they stressed that the spirit of the Seventh Regiment for death-defying defense is the loftiest expression of the revolutionary outlook of the leader, and is like a blood vessel that connects the leader [suryong] and fighters via blood ties.

They said all officers and men should become essential worshipers who loyally hold in high esteem and follow the respected comrade supreme commander as the lodestar of destiny, as the sun of life, and as the benevolent father. They should staunchly defend the comrade supreme commander by becoming guns and

rifles, and should ensure in every way the lofty authority and dignity of the comrade supreme commander.

They pointed out that the work to follow and learn from O Chung-hup's Seventh Regiment is glorious and important work that further glorifies the tradition of defending the leader as well as accelerates the prosperity and development of our fatherland and nation and the victory of our revolution. They called on the entire army to become today's Seventh Regiment, which defends the headquarters of the revolution with their lives, and thus fulfill their lofty duty and mission as the chuche-style revolutionary army.

The letter of pledge to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people and supreme commander of the KPA, was adopted at the meeting.

DPRK: Kim Yong-sun Speaks at Joint Meeting

SK0102085596 *Pyongyang Korean Central
Broadcasting Network in Korean*
1100 GMT 31 Jan 96

[Speech by Kim Yong-sun, secretary of the Central Committee of the DPRK's Workers Party of Korea and chairman of the Reunification Policy Committee of the Supreme People's Assembly, at a joint meeting of political parties and public organizations, at the People's Palace of Culture on 31 January — recorded]

[FBIS Translated Text] Those of you present here: Today, at a time when an acute situation which determines peace or war and reconciliation or confrontation between the North and the South is being created and when the burning desire of the entire nation for peace and peaceful reunification is growing unprecedentedly, we are going to hold a joint meeting of political parties and public organizations of the Republic which has as its agenda to discuss measures for peace and great national unity on the Korean peninsula.

I am going to make this report, firmly believing that this joint meeting will become a momentous occasion in checking and frustrating the South Korean ruling bunches' maneuvers for war and confrontation, guaranteeing peace on the Korean peninsula, and achieving great national unity.

Peace on the Korean peninsula and great national unity are the issues which should have already been solved in view of the demands of the times and in view of the nation's desire.

The final settlement in the DPRK-U.S. negotiations on light-water reactors held at the end of last year clearly proved that the so-called nuclear threat that reactionaries at home and abroad put up in a bid to crush us was an out-and-out fabrication and a stratagem, and

undoubtedly verified our integrity and innocence [uriui chongnyom kyolbaeksong] regarding the nuclear issue.

The indiscreet maneuvers for war and confrontation which are being perpetrated in South Korea makes it inevitable for us to have due vigilance. The present ruling bunches of South Korea, while shifting responsibility for the presently created grave situation onto others, are laying the blame at our door and clamoring about nonexistent military threat by the North in a bid to justify their adventurous war and confrontation commotions.

In reality, even the people in other countries who had pursued a policy of hostility against the Republic in the past recognize that no military threat from the North exists at present, and they are showing their position to push ahead with the normalization of relations with us through dialogue and negotiation.

There is no threat of southward invasion, but only a threat of northward invasion on the Korean peninsula. Our lofty ideology [inyom] itself is precisely peace, and peace is a way for our survival. Our position to solve the question of reunifying the country peacefully has been invariable in the past and it is today. The respected and beloved leader Comrade Kim Il-song, the father of the nation and the lodestar of national reunification, said that national reunification is not an issue of someone swallowing or someone being swallowed, but an issue of establishing the nation's independence and achieving national unity. Twenty-odd years ago he already saw to it that the three principles for national reunification of independence, peaceful reunification, and great national unity were adopted as the nation's common reunification charter. He also clarified the 10-point program for great unity of the whole nation and the formula of national reunification through a confederal system and, thus, elucidated the brilliant road to achieve the cause of national reunification peacefully.

It is entirely thanks to our invariable, firm position for peaceful reunification and to our patient efforts for peace that, although the situation on the Korean peninsula faced a touch-and-go, dangerous brink on many occasions, each time the danger of war was averted and that the road for peace and reconciliation is still open today despite the continued maneuvers for confrontation by the South Korean ruling bunches. [applause]

Ladies and gentlemen [yorobun]:

Whether we can deter the U.S. bellicose forces and South Korean rulers' reckless war and confrontation maneuver to drive the country's situation into a dangerous brink every moment is a quite serious question that concerns the fate of the nation.

The great leader [yongdoja] Comrade Kim Chong-il noted: The struggle for the fatherland's independent and peaceful reunification is a serious struggle between patriotism and treachery, and between the national independent spirit and the idea of relying on outside forces. The great national unity is the most patriotic move and the key to protecting peace.

The key to protecting peace and the guarantee for the fatherland's reunification lies in achieving the great national unity. Although different ideas and systems exist in North and South Korea today, our nation is a homogeneous people with Tangun as their progenitor and can cooperate and unite themselves on the road of patriotism for the nation's common interests without difficulty.

Our proposal for greeting 1996 as a year of peace and great national unity implies our nation's church-based position and peace-loving will to achieve peace that no one else can provide us, with our nation's own strength. It also plainly shows all the fellow countrymen's patriotic desire to save the country and the nation from the calamity of war propelled by the flunky, nation-selling, and belligerent forces and to achieve the fatherland's reunification, the greatest and long-cherished desire of the nation.

All Korean compatriots who love the country and desire national safety and prosperity should actively launch into the nationwide joint struggle to sternly deter and destroy the war and confrontation maneuver by the bellicose forces of the United States and South Korea and to make this year a year of peace and great national unity by overcoming all differences of ideas, systems, political opinions, and religions.

In order to glorify this year as a year of peace and great national unity and open a phase for peaceful reunification, we should, above all, prepare a new turning point for reunification based on a confederal system. All Korean compatriots at home and abroad should uphold the formula for the fatherland's reunification based on a confederal system as the nation's common slogan for reunification and should stoutly carry out a joint struggle to realize it.

What is urgent for promoting peace of the country and the great national unity is to actively hold contacts and dialogue among political parties, organizations, and figures from all walks of life in the North, the South, and overseas. Regardless of differences in ideas, ideologies, political opinions, and religions, we are willing to have heart-to-heart dialogue and contacts with those who want to launch into the struggle to achieve the country's reunification based on an independent and nation-oriented position, without questioning about their

past, even though they committed crimes before the country and the nation in the past. [applause]

Based on this position, we desire broad contacts and dialogue with reunification and patriotic figures engaged in the reunification movement as well as various political parties and organizations in South Korea and overseas this year. We do not care about the date, place, and form of such a contact and dialogue. In order to actively hold contacts and dialogue for peace and great national unity, all legal and systematic devices that obstruct them should be removed.

All Korean compatriots in the North, the South, and overseas should unanimously rise up in the nationwide struggle to abolish the South Korean National Security Law, an obstacle to national unity and national reunification, and to eliminate the fascist repression system. Along with this, they should also actively struggle to release all political prisoners and innocent patriotic and reunification figures who have been arrested by the fascist National Security Law.

The urgent question to stabilize the unstable situation on the Korean peninsula and preserve a solid peace there is to establish a new peace-guarantee system between the DPRK and the United States and to suspend large-scale joint military exercises.

Now that the question of nonaggression between the North and the South has already been solved, the question of replacing the Armistice Agreement with a peace agreement between us and the United States should be solved now.

All political parties, organizations, groups, and compatriots of all strata in the North, the South, and overseas should actively struggle to realize the proposal to establish a new peace-guarantee system. At present, they should rise up in nationwide efforts to suspend large-scale joint military exercises which are bringing the situation in our country to a brink of war and to remove all dangerous factors which may cause a military conflict.

I firmly believe that this joint meeting will bear outstanding measures to make this year a year of peace and great national unity through its participants' active discussions.

Those of you present here: Preserving peace on the Korean peninsula and achieving great national unity to expedite the historic cause of national reunification is not only the ardent behest of the respected and beloved leader Comrade Kim Il-song, the father of the nation, but is also the iron will of respected and beloved General Kim Chong-il, the outstanding leader [yongdoja] of the nation and the lodestar of national reunification.

The great leader [yongdoja] General Kim Chong-il — who is identical to the respected and beloved leader [suryong] — is with us. We have also the three principles for national reunification confirmed by the North and the South as the common reunification program, the 10-point program for great unity of the whole nation, and the most reasonable and realistic policy of founding a Democratic Confederal Republic of Koryo.

There are still many difficulties on the road ahead for the struggle of our nation to preserve the country's peace through great national unity. However, our victory is certain because there is the wise leadership of respected and beloved General Kim Chong-il, the prominent and great man; because we have the common struggle program of the nation; and because there is the firm will for reunification of all fellow countrymen.

Let us all more staunchly struggle to brilliantly make this year a year of peace and great national unity by upholding the great leader [yongdoja] Comrade Kim Chong-il's ideology and leadership with loyalty and by waging a nationwide struggle. [applause]

DPRK: 'Absence of Militarism' Noted by Swedish Reporter

LD3001171196 Stockholm Sveriges Radio Network in Swedish 1130 GMT 30 Jan 96

[FBIS Translated Excerpt] Our Asia correspondent Bengt Therner will now continue his reporting from North Korea. This report is about the deep worry that its nearest neighboring countries feel over North Korean military ambitions. The United States, South Korea, and Japan are countries which have warned that the deep crisis in North Korea can lead to desperate measures.

[begin Therner recording] [Motor noise] This is a war [words indistinct] of the famous [words indistinct] during the Korean war 45 years ago, [words indistinct] most warlike I saw in North Korea, which the United States has called the world's potentially most dangerous nation. The most, most warlike were the ticket booths which looked like missiles on the amusement parks which were standing still because of lack of electricity. [passage omitted]

In October, the approximate time of the country's total economic collapse, the Russian customs stopped a trainload of heavy weapons North Korea had bought in Kazakhstan. This is a sign that the country seems to put weapons before food despite the threatening starvation catastrophe which has forced it to ask for help from the rest of the world. For an ordinary observer North Korea hardly seems to be in a situation where it would have

any possibilities at all to begin a war — on the contrary, absence of militarism was part of the fraternizing.

On the 160 km-long motorway, which goes in an absolutely straight line south from Pyongyang to what since the 1950's has been known as the 38th parallel, I saw four old ramshackle military jeeps, one of which had what looked like engine trouble and another one had obviously run out of petrol. Not even (?inside the) military border zone Panmunjom, where I on the south side experienced the South Korean and American soldiers' forced tension, did it feel anything but relaxed in a civilian way despite the binoculars in the American observation post.

The difference from the South Korean side, where I was once shown minefields, was that from the North Korean side ricefields were pointed out and farmers on the fields showed that the fields really were ricefields. North Korea is alone, poverty-stricken and lost and sees the rest of world as a threat, above all the American military presence in South Korea, and it is believed that there are American nuclear weapons there which are much more threatening than those which North Korea is supposed to have tried to develop.

It is presumably just because of these nuclear bomb experiments, the selling of missiles to suspected regimes, terrorist actions in the past and the isolation, that North Korea is paying a high price in its need: silence and hesitation when the country is asking for help. Bengt Therner, Hong Kong.

DPRK: National Meeting Marks Agricultural Union's Founding

SK3101042896 Pyongyang KCNA in English 0301 GMT 31 Jan 96

[FBIS Transcribed Text] Pyongyang January 31 (KCNA) — A national meeting was held here on Tuesday to mark the 50th anniversary of the foundation of the Union of Agricultural Working People of Korea.

Attending the meeting were Yi Chong-ok, Politburo member of the C.C. [Central Committee], The Workers' Party of Korea and Vice-president of the DPRK, Kim Chung-nin, secretary of the WPK Central Committee, and officials concerned, chairmen of provincial, city and county committees of the union and active officials and members of primary union organizations.

Yi Chong-ok read out a congratulatory message of the WPK Central Committee to all the organizations and members of the UAWPK on its 50th anniversary.

The congratulatory message noted that the great leader President Kim Il-song, basing himself on the brilliant

tradition of the peasant movement he established in the flames of the anti-Japanese revolutionary struggle, founded the Union of Agricultural Working People of Korea, a peasants' mass political organization of *chuche* type, on January 31, 1946.

With the foundation of the UAWPK, a major political guarantee was made for the solution to the rural question in Korea and the agricultural working people could enjoy an independent socio-political life through their genuine political organization, the message said.

Over the past 50 years after its foundation, it said, the UAWPK has creditably discharged, under the wise leadership of President Kim Il-song and the energetic guidance of the Workers' Party of Korea, its mission and duty as an organization for ideological education of its members and as a transmission belt of the party.

In the message the WPK Central Committee expressed the firm belief that the organizations and members of the union will creditably carry out their noble mission and duty in the efforts to implement the socialist rural theses and accomplish the revolutionary cause of *chuche* and thus prove themselves worthy of deep trust and expectation of the party.

Choe Song-suk, chairperson of the UAWPK Central Committee, made a report at the meeting.

The reporter recalled that the great leader President Kim Il-song showed a bright road ahead of the union and energetically led it in the periods of the democratic revolution, the fatherland liberation war, the postwar rehabilitation and construction and the socialist construction.

The great leader Comrade Kim Chong-il published the immortal famous work "on stepping up the work of the Union of Agricultural Working people", which is a very important guideline the union should firmly take, and has wisely led the work for pushing ahead with the three revolutions, ideological, technical and cultural, in the countryside, she said.

The union has strengthened and developed into a peripheral organization of the party, its active helper, which successfully carries into practice the WPK's programme of building socialist and communist countryside, she said, adding: It is entirely brilliant fruition of the wise leadership and warm love of President Kim Il-song and general Kim Chong-il.

The reporter set tasks of the union to concentrate the ideological education and guidance over the organizational life on bringing up the agricultural working people to be true masters responsible for the nation's grainary and briskly conduct socialist emulation and other

mass movements so as to brilliantly adorn this year as a year of bumper harvest.

DPRK Symposium Speakers Urge Loyalty to Kim Chong-il

*SK3001040796 Pyongyang KCNA in English
0252 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — A national symposium was held here on Monday to mark the 50th anniversary of the foundation of the Union of Agricultural Working People of Korea (UAWPK).

At the symposium speakers lauded the immortal feats performed by the great leader President Kim Il-song and the great leader Comrade Kim Chong-il in strengthening and developing the union into a mass political organization of *chuche* type over the past 50 years, regarding millions of peasants as an independent driving force of the revolution.

They stressed the idea and theory on building the *chuche*-based Union of Agricultural Working People is a very important guideline for strengthening and developing the union into an organization of the leader and it is an ideological and theoretical weapon which the working-class party should firmly take in the building of revolutionary peasant organization.

They called upon all the union officials and agricultural working people to firmly believe in and follow only respected General Kim Chong-il and remain intensely loyal to his idea and leadership, true to the behest of President Kim Il-song, and thus make greater new achievements in carrying out the vital tasks set forth in the socialist rural theses and increasing the agricultural production.

Kim Chung-nin, secretary of the C.C. [Central Committee], the Workers' Party of Korea, was present there.

DPRK: Yi Chong-ok, Other Leaders Attend Agricultural Meeting

*SK3101043896 Pyongyang Korean Central
Broadcasting Network in Korean
2200 GMT 30 Jan 96*

[FBIS Translated Excerpt] A central report meeting was held yesterday [30 January] at the People's Palace of Culture to mark the 50th anniversary of the founding of the Union of Agricultural Working people of Korea [UAWPK]. [passage omitted]

The report meeting was attended by Comrade Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers Party of Korea

[WPK] and vice president; Comrade Kim Chung-nin, secretary of the WPK Central Committee; functionaries concerned; chairmen of provincial, city, and county UAWPK; model primary-level UPWPK functionaries; and UAWPK members. [passage omitted]

DPRK: Yi Chong-ok Delivers WPK Message to Meeting

*SK3101042196 Pyongyang Korean Central Broadcasting Network in Korean
1100 GMT 30 Jan 96*

["Congratulatory message" of the Central Committee of the Workers Party of Korea to the Union of Agricultural Working People of Korea delivered by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers Party of Korea and vice president, at a central report meeting held on 30 January at the People's Palace of Culture to mark the 50th anniversary of the founding of the Union of Agricultural Working People of Korea — recorded]

[FBIS Translated Text] Congratulatory message to organizations of the Union of Agricultural Working People of Korea [UAWPK] and all members of the UAWPK.

We are significantly greeting the 50th anniversary of the founding of the UAWPK today, at a time when the entire party, the entire Army, and all of the people are vigorously accelerating the march to implement the *chuche* revolutionary cause, holding aloft the red flag of the revolution and firmly rallying around the party.

On the occasion of the 50th anniversary of the founding of the UAWPK, the Central Committee of the Workers Party of Korea [WPK] extends warm congratulations to all UAWPK organizations and members who have devotedly struggled to strengthen and develop the union and to achieve the victory of the *chuche* revolutionary cause by upholding the party's and the leader's [suryong] leadership. [shouts of long live Comrade Kim Chong-il and applause]

The great leader Comrade Kim Il-song founded the UAWPK, a *chuche*-type political organization for the peasant masses, on 31 January 1946 based on the brilliant peasant movement tradition he provided amid the flames of the anti-Japanese revolutionary struggle.

With the founding of the UAWPK, it was possible to provide an important political guarantee for solving the rural question in our country and it was also possible for the agricultural working people to have their genuine political organization and lead an independent social and political life.

For the past 50 years since its founding, the UAWPK, under the wise leadership of the great leader Comrade

Kim Il-song and under our party's energetic guidance, has outstandingly performed its mission and duties as the ideological indoctrination organization for its members and as the transmission belts of the party.

Today, the UAWPK has been strengthened and developed into a force of loyalty in which the party's leadership system has been firmly established within the union and in which all union members devotedly struggle for the fatherland, the people, the society, and collectives, cherishing infinite loyalty to the party and the leader [suryong]. [applause]

The WPK Central Committee highly appreciates the fact that for the past 50 years, UAWPK organizations and all UAWPK members have registered great successes and achievements in their struggle to strengthen the main force of the revolution and to realize the party's rural construction program with infinite loyalty to the party and the leader [suryong]. [applause]

DPRK Agricultural Union Head Writes Article for Paper

*SK3101094496 Pyongyang KCNA in English
0840 GMT 31 Jan 96*

["Party's Leadership Is Lifeline for Construction and Activities of UAWPK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — Upholding the idea and leadership of the great leader Comrade Kim Chong-il with loyalty is the genuine road for the Union of Agricultural Working People of Korea (UAWPK) to splendidly fulfil its honourable duty and positively contribute to the accomplishment of the revolutionary cause of *chuche*. Chairperson of the UAWPK Central Committee Choe Song-suk stressed this in an article titled "Party's Leadership Is Lifeline for Construction and Activities of UAWPK" contributed to NODONG SINMUN on the 50th founding anniversary of the union.

The article says:

The great leader President Kim Il-song founded the UAWPK on January 31, 1946 on the basis of the tradition and experiences he had personally established in building the revolutionary peasants' organization during the anti-Japanese revolutionary struggle and cemented and developed it into a genuine *chuche*-type mass political organization.

With the founding of the UAWPK, the Workers' Party of Korea could unite broad peasant masses organizationally and rally them closely around it, and the agricultural Working People of Korea could have a unified political organization and actively contribute to realizing the revolutionary cause of *chuche* as an organized force.

Under the leadership of the party, the UAWPK has developed into a *chuche*-type mass political organization which has firmly established the monolithic ideological system of the party and is intensely loyal to the party's leadership. It is splendidly playing its role as a creditable helper and defender of the party in the struggle for carrying out the party's line and policies.

The party's leadership is a lifeline for the construction and activities of the UAWPK.

All the agricultural working people and UAWPK members should more thoroughly establish the organizational discipline under which they move as one under the unified leadership of respected General Kim Chong-il, the revolutionary habit of unconditionally accepting and carrying out the party's line and policies, and the revolutionary orders and discipline by which major matters arising in the work and activities of the union are dealt with in conformity with the party's intention.

And, the three revolutions, ideological, technical and cultural, should be conducted vigorously and farm production be boosted steadily.

The UAWPK will, in the future, further activate its work, true to the leadership of respected General Kim Chong-il, so as to closely rally the agricultural working people around the party and effect a new turn in building socialist rural communities, thereby discharging its mission and duty as a transmission belt of the party.

DPRK: Timber Production Said 'Increasing'

*SK3001112496 Pyongyang KCNA in English
1004 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — Forestry stations in Korea are increasing timber production.

According to data available at the Ministry of Forestry, the timber production as of January 28 was 25,000 cubic metres more than the December figure.

The Yanggang Provincial Associated Bureau of Forestry and the North Hamgyong Provincial Bureau of Forestry Management fulfilled the January assignments of timber production ten days ahead of schedule.

The Chonnae and Songgan forestry stations, the Hochon and Toksong mine support production stations and other units in South Pyongan and South Hamgyong Provinces are keeping a high and steady rate in production and overfulfilling the daily assignments.

DPRK Paper Urges World's Anti-Imperialists To Unite

*SK3001113096 Pyongyang KCNA in English
1016 GMT 30 Jan 96*

["Unity Firmly Guarantees Victory of Anti-Imperialist Forces for Independence" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — If the anti-imperialist forces for independence are to win victory in confrontation with the imperialist powers, they should rally their ranks and strengthen unity, says NODONG SINMUN today in a by-lined article.

The article continues:

At present the imperialists are, hand in glove, concentrating their efforts on obliterating the anti-imperialist forces for independence by allied strength. The anti-imperialist forces for independence, therefore, should unite with each other more tightly than ever before.

The steadfast foundation of their unity is a common idea of independence, peace and friendship. What is important in strengthening their unity is that all the countries the world over should firmly maintain independence.

It is also important for this to adhere to the principled stand towards the imperialists. The anti-imperialist forces for independence should not be deceived by the imperialists' art of disguise or mistake the change of their methods of aggression for that of their nature.

If they make bargaining with the imperialists over the principled questions in having diplomatic relations with imperialist states and developing economic and cultural exchange with them, it means abandoning the anti-imperialist struggle. If they maintain such principled stand, they are sure to unite and win victory in confrontation with imperialism.

The role of the revolutionary parties is very important in strengthening unity of the anti-imperialist forces for independence. All the revolutionary and progressive parties of the world must take the lead in opposing imperialism and accomplishing the human cause of independence and strive to rally all the anti-imperialist forces for independence as one.

However difficult and complicated the situation may be, if the forces wage a resolute struggle in firm unity, the cause of global independence will emerge victorious without fail.

'Superiority' of DPRK-Style Socialism Lauded

*SK3101124896 Pyongyang Korean Central
Broadcasting Network in Korean
2242 GMT 17 Jan 96*

[Unattributed talk: "The Fundamental Superiority of Our Style of Socialism Which Has Been Built Under the Banner of the Chuche Idea"]

[FBIS Translated Text] In his immortal classic work "Let Us Further Exalt the Superiority of Socialism of Our Country," the great leader Comrade Kim Il-song has clearly expounded the fundamental superiority of our style of socialism built under the banner of the chuche idea.

The great leader Comrade Kim Il-song has taught: Our country's socialism is, in a nutshell, a man-centered socialism which has embodied the chuche idea. The basic characteristics of our society are that the popular masses have become the genuine masters of society and that our society is a genuine society of the people in which everything in the society serves the popular masses.

As taught by the great leader [suryong], the superiority of our socialism, which has embodied the chuche idea, lies in the fact that the popular masses have become the genuine masters of the society and that our socialism is the socialism in which everything in the society serves the popular masses.

The superiority of our society, a man-centered society, lies, first of all, in the fact that our society is one in which the independent position of the popular masses as the masters of the state and society has been firmly guaranteed.

The masses of working people are the reformers of nature and society and the creators of history. All of material wealth of a society is created by the creative labor and struggle of the masses of working people, and its innovative change and progress, as well, are achieved by the creative labor and struggle of the masses of working people. Therefore, the masses of working people must become the masters of a society and must become the masters who enjoy material wealth.

However, the masses of working people do not necessarily become masters in all societies. The masses of working people can become genuine masters of society and enjoy an independent and creative life only under men-centered socialism.

The position and role of the masses of working people as the masters of society find expression only when they have occupied the position as the masters of their state's

sovereignty and when they exercise their independent rights.

In our society today, the masses of working people, including workers and peasants, are directly participating in the management of the state and the politics of the country as the masters of the state's sovereignty. They are also enjoying a dignified and rewarding life with all sorts of political rights and freedom.

In our society, there is no social factor whatsoever which oppresses the popular masses' independent rights and which tramples underfoot their human rights. In particular, our people are leading their social and organizational activities freely through their political and organizational life which already has become a routine way of life. They are also strengthening kindred ties with the social and political organism centered on the leader [suryong].

All of this clearly tells us that the independent position of the popular masses as the masters of our society has become firm.

However, in the capitalist society in which the power of state is seized and controlled by a handful of the exploiting class, the masses of working people have no political rights and freedom.

Today, the imperialists are clamoring about freedom, human rights, and the like as if democracy were guaranteed in the capitalist society. This is nothing but a deceit. Equality cannot exist between the rich and privileged class that enjoys unlimited power and wealth and the masses of working people who are suffering from unemployment and poverty. In the imperialist countries in which reactionaries ideologies, corruption, and immorality are encouraged and all sorts of social evils are rampant, genuine freedom and human rights cannot be expected. This is only too clear.

However, the popular masses-centered socialism of our own style is now demonstrating its grand appearance as the genuine socialism in which the independent position and rights of the popular masses as the masters of society have been firmly guaranteed.

Our society centered on men is a genuine society in which everything in the society serves the people. Herein lies the superiority of our society.

In our country, in which the man-centered noble ideology has been embodied, all material and mental assets in the society are thoroughly directed toward making the material and cultural life of the masses of working people more sound and more abundant. In our country, all policies enforced by the state do not conflict with

'Superiority' of DPRK-Style Socialism Lauded

*SK3101124896 Pyongyang Korean Central
Broadcasting Network in Korean
2242 GMT 17 Jan 96*

[Unattributed talk: "The Fundamental Superiority of Our Style of Socialism Which Has Been Built Under the Banner of the Chuche Idea"]

[FBIS Translated Text] In his immortal classic work "Let Us Further Exalt the Superiority of Socialism of Our Country," the great leader Comrade Kim Il-song has clearly expounded the fundamental superiority of our style of socialism built under the banner of the chuche idea.

The great leader Comrade Kim Il-song has taught: Our country's socialism is, in a nutshell, a man-centered socialism which has embodied the chuche idea. The basic characteristics of our society are that the popular masses have become the genuine masters of society and that our society is a genuine society of the people in which everything in the society serves the popular masses.

As taught by the great leader [suryong], the superiority of our socialism, which has embodied the chuche idea, lies in the fact that the popular masses have become the genuine masters of the society and that our socialism is the socialism in which everything in the society serves the popular masses.

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ROK between his visit to Japan from 16-19 April and then to Russia. Since President Kim Yong-sam visited the United States last July, it is probably natural for President Clinton to have the opportunity to visit the ROK this year and once again hold talks on the overall situation on the Korean peninsula at the summit level. The problem lies in the fact that the U.S. Government remains unmoved regarding this matter. It seems that before giving a "prompt reply," there are many pending problems to solve with the ROK.

It seems that through experiences extending over a long period of time, U.S. Government officials who are dealing with ROK issues are well aware that "domestic politics" have a lion's share in ROK's diplomacy. When viewing the past diplomatic history, because of the special domestic situation, there were many cases in which the ROK gave up its diplomatic benefits. Right at this time, many pending issues such as the issue of the expenses of the heavy oil to provide to North Korea and the issue of rice aid, are laid before us which may be considerations for domestic political purposes. Nevertheless, our diplomats are only "rushing forward," and there are no strategic composure to take a step back and contemplate over this matter. From the time when he took office, President Kim emphasized: "Apart from the past military dictatorship, the civilian-ruling government does not have the burden of intervention, so it carries out diplomacy fair and square." However, our current diplomacy toward the United States is a far cry from our determination at that time. However, domestic administration and diplomacy are inseparably linked, ROK diplomats emphasizing the "April general elections" obstinately, should think about how they will appear to the outside world.

ROK: DPRK Officials Invited to U.S. Prayer Meeting

SK0102012096 Seoul YONHAP in English
0115 GMT 1 Feb 96

[FBIS Transcribed Text] Washington, Jan. 31 (YONHAP) — Two senior officials of the North Korean mission to the United Nations, Ambassador Pak Kil-yon and minister Han Sung-yoi, are now visiting Washington to attend the annual U.S. state breakfast prayer meeting to be held here Thursday [1 February].

The two North Koreans are among some 4,000 people invited to the meeting, a U.S. official in charge of North Korean affairs said Wednesday. On the South Korean part, former South Korean Education Minister Kim Suk-hui will be attending.

Another U.S. official who has been making preparations for the meeting said that President Clinton is likely to attend the meeting.

In last year's breakfast prayer meeting, Clinton had a separate meeting with North Korean officials.

ROK Says DPRK 'Total War' Warning 'Exaggeration'

SK0102082696 Seoul YONHAP in English
0818 GMT 1 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 1 (YONHAP) — South Korea indicated Thursday that it interpreted North Korea's "total war" warning Wednesday as an exaggeration rather than a threat.

National Unification Ministry Spokesman Kim Kyong-ung, while commenting on the statement made by North Korean ruling Workers Party Secretary Kim Yong-sun that any small incident on the Korean peninsula would lead to "total war," said that the secretary had exaggerated the tensions hovering over the Korean peninsula to push for a peace treaty with the United States, and added that his total war warning can hardly be taken as a threat of war.

With regard to the message sent Wednesday to South Korean political parties and social organizations from a conference held by their North Korean counterparts, where Kim Yong-sun made the total war warning in a speech, the spokesman said the content of the message was not much different from other communiques sent over the years.

Noting that Kim's total war warning was not included in the reports of Pyongyang Broadcasting Station and (North) Korean Central Broadcasting Station, though it was in (North) KOREAN CENTRAL NEWS AGENCY's report, the spokesman said the reports of the two broadcasting stations were correct because they just broadcast Kim's recorded speech.

DPRK 'Willingness' To Accept ROK-Led Investment Noted

SK0102054796 Seoul KYONGHYANG SINMUN
in Korean 1 Feb 96 p 2

[Report by Ho Won-hyong]

[FBIS Translated Text] It has been learned that North Korea desires the ROK to take the lead in providing a \$10-15 billion economic cooperation fund to the DPRK along with the United States, Japan, China, and Russia for the development of social overhead capital in the Najin-Sonbong free trade zone.

Chairman Pang Chan-yong of Korus International, a consulting firm for investment in the Najin-Sonbong area, revealed the fact during the first meeting of the Nongovernmental Council for Inter-Korean Economic Cooperation, held at the Trade Center in Seoul on 31 January. He also stated: "North Korea clearly expressed its willingness to accept economic cooperation fund provided by an ROK-led consortium composed of neighboring countries for the development of this area."

According to Chairman Pang, in August 1995, Korus International and North Korea's Committee for the Promotion of External Economic Cooperation signed a basic agreement, in which North Korea promised that if the ROK-led consortium raises an economic cooperation fund worth \$10-15 billion, North Korea would accept it.

ROK Prime Minister Comments on Situation in DPRK

SK0102143496 Seoul KBS-1 Television Network in Korean 1315 GMT 1 Feb 96

[Interview with ROK Prime Minister Yi Su-song by Seoul National University Professor Pak Myong-chin at the KBS studios in Seoul; date not given — recorded]

[FBIS Summary] During a 40-minute interview, ROK Prime Minister Yi Su-song touches on various subjects. He says he feels a heavy responsibility after becoming prime minister, and that he decided to join this government because of his favorable assessment of Kim Yong-sam and his government.

He explains in detail the controversial remarks about selective punishment of the Kwangju murderers, which the newspapers allege he made, and denies that he made them.

On the upcoming elections, the premier notes that he asked the ministers at a meeting to be impartial in the elections, fairly execute the laws, and help people make correct decisions. He adds that he also asked local administrative chiefs to ensure fair elections.

On social issues, Prime Minister Yi says that the government will provide 100 percent of daily needs to elderly citizens and poor people by 1998 and that the prime minister's office has established a task force for the welfare of children. The prime minister says the government will make every effort to prevent slipshod construction, give women enough opportunities to find government jobs, and form committees to coordinate different views among regional administrative offices.

On the economy, he asserts that the government will make every effort to stabilize prices to below 4.5

percent a year, adding that stabilization of prices is the government's top priority.

Regarding the North Korean issue, Prime Minister Yi says: "It has been said that there is internal chaos in North Korea and that North Korea faces serious grain shortages. However, no one knows exactly what is happening in North Korea."

"National love is the basis of the government's policy toward North Korea. We will help and cooperate with North Korea when it is necessary to do so. We will peacefully coexist with North Korea. If, in the course of this, reunification is achieved naturally and democratically through gradual changes, we will help North Koreans lead better lives. This is our long-term policy."

"However, when we do not know anything about what is happening in North Korea and when North Korea does not ask us to extend cooperation, we cannot do anything for North Korea even if we want to."

"The basic problem lies in the political circles [North Korean leadership]. Did people living there do anything wrong? They, too, are our fellow countrymen. This is what I am thinking."

ROK Article Assesses Taeyong Crewmen's Defection to DPRK

SK3001054596 Seoul HANGUK ILBO in Korean 30 Jan 96 p 37

[FBIS Translated Text] The circumstances surrounding the defection to North Korea by the crewmen of the fishing boat 707 Taeyong of Sogwipo, Cheju Island which the North Korean Government media reported on 28 January as having voluntarily defected to the North, are mysterious.

First of all, the number of fishermen North Korea announced as having defected, is questionable. Originally, eight fishermen were aboard the 707 Taeyong. However, North Korea announced that Kim Chong-on, Yi Kil-sim, Kim Chong-hyon, and Ko Chon-kwon had defected and made no mention of the whereabouts of the four others. This is strange. The Cheju Maritime Police said that it is highly possible that the four others were killed in a riot on the boat.

North Korea introduced Chief Engineer Kim Chong-on, 37, whose address is #661-9 Sogwipo-tong, Sogwipo, Cheju Island, as captain; and Captain Ko Chon-kwon, 56, whose address is #1816-14, Toryon 2-tong, Cheju, Cheju Island, as a crewman. This is worthy of our attention. As Yi Kil-sim is Kim Chong-on's common-law wife, the Maritime Police think that if the riot is

connected to the woman, Kim Chong-on must have been behind the riot.

Chief Engineer Kim was accompanied by his common-law wife Yi, who has reportedly lived with Kim for five or six years following her husband's death in 1987, and who often is on board as a cook.

It is still unclear whether Yi was on board to cook as before, or whether she came on board for a scheduled defection.

The families of the fishermen strongly doubt their defection, saying: "There is no reason for them to voluntarily defect to North Korea."

Missing fisherman Chong Hak-pong's mother-in-law identified as Kim, 74, who lives at 1 To 2-tong, Cheju, said: "My daughter has passed her days in tears since her husband went missing." She then added with tears in her eyes: "I wish we could first confirm whether my son-in-law is alive or dead."

ROK Government Takes Measures To Deal With DPRK Defectors

*SK0102061796 Seoul CHOSON ILBO in Korean
1 Feb 96 p 2*

[Report by reporters Kim Min-pae and Kim Yonkwang]

[FBIS Translated Text] In light of the rapid increase in the number of people fleeing North Korea, including the approximately 1,200 North Koreans staying in the PRC and Russia who have looked into the possibility of defecting to our missions there, it was learned on 31 January that the government and the New Korea Party have begun to take various measures to deal with this matter.

In particular, in preparing for the possible occurrence of a large numbers of refugees from North Korea, it was learned the government is considering the possibility of the PRC and Russian Governments establishing refugee facilities near the North Korea- PRC-Russia border.

A government official stated: "North Korean loggers in Siberia who have contacted the ROK Embassy in Russia number 150 people, and North Koreans who have contacted the ROK Embassy in the PRC number approximately 1,000. When taking into account those who are hiding and have not yet contacted our embassy, it is estimated the number of those who fled North Korea totals approximately 2,000 people."

The government and New Korea Party are examining overall legislative measures, including revising the law on protecting fellow countrymen who have defected, which deals with vocational education for defectors and

in helping them settle down in the ROK. It was also learned that each related ministry is working to shape the "plan for preparing for integration" which has been provided in preparation for rapid change in the North Korean system.

A government official revealed: "It is necessary to pass a bill, such as the recent decision by the court, that a person with North Korean citizenship must also be regarded as a citizen of the ROK and the constitutional spirit which stipulates the entire Korean peninsula as ROK territory, which reflect Germany's bill on the "integration law." If a national agreement on establishing a large refugee camp is formed, we are ready to undertake preparations for its legislation soon."

ROK Setting Up Support System for Fishermen Held Overseas

*SK2901095396 Seoul YONHAP in English
0817 GMT 29 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — The Foreign Ministry is preparing for an emergency support system for Korean fishermen held in foreign countries for illegal fishing, a ministry spokesman said Monday.

According to the spokesman, the government is currently negotiating with the governments of Gambia and Mauritania on the release of 11 South Korean fishermen held in the African nations for illegal fishing.

He also said that 33 Korean fishermen working for the Adriatic Tanker Shipping Co. (ATSC) have been staying in Greece, France and five other countries in order to collect back wages from the Greek shipping firm, which went bankrupt recently.

In cooperation with the Korea Maritime and Port Administration (KMPA), the ministry is negotiating with the governments concerned to solve such issues involving Korean anglers, he said.

ATSC has been hiring Korean fishermen since it was established 15 years ago.

ROK White Paper on Separated Korean Families Statistics

*SK3001030396 Seoul YONHAP in English
0113 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — Amid frozen inter-Korean relations, divided South and North Korean families continue to correspond through private intermediaries about their lives and deaths hoping to eventually reunite.

Of the 2,284 separated South Korean families who have obtained permission to contact their families in the North since June 1989, when the government announced guidelines for inter-Korean exchanges and cooperation, 739 families or 32 percent have managed to confirm whether their family members in the North are alive or not, either through friends residing or intermediary organizations operating in third countries.

According to the 1995 White Paper on Unification just published by the national unification ministry, 2,719 families have exchanged correspondence with members of their family in the North, while 72 families actually had reunions in third countries.

No family reunions took place in 1989, but the number of reunions gradually increased to six in 1990, 11 in 1991, and 19 in 1992, until 1993 when the trend began to move in the other direction with only 12 reunions, and 11 in 1994. There were 13 such meetings in 1995.

Applications for permission to contact relatives in the North peaked in 1993.

There were 35 families that were able to determine whether relatives in the North were either alive or dead in 1990, 127 in 1991, 132 in 1992, 221 in 1993, 135 in 1994 and 135 in 1995.

There were 44 families who exchanged correspondence in 1990, 193 in 1991, 462 in 1992, 948 in 1993, 584 in 1994 and 488 in 1995.

The methods used to make these contacts fall into three categories: Through a friend living abroad, intermediary organizations operating in third countries, or attending international events.

In the beginning the United States, Canada and Japan were the primary initial points of contact, but were later displaced by China after South Korea normalized relations with Beijing on Aug. 24, 1992.

There have been 400 family reunions with relatives in the North via China, or 54 percent of the total. There were 238 successful exchanges via the United States (33 percent), 48 by way of Japan (6 percent), 22 through Canada (3 percent) and 31 (4 percent) were facilitated by other countries.

ROK 'Positively' Supports Dispersed Families Reunion

SK0102120796 Seoul YONHAP in English
1134 GMT 1 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 1 (YONHAP) — Deputy Prime Minister Kwon O-ki on Thursday said that even if there would be no affirmative response from

North Korea, his government would positively support reunion of those families separated in the two Koreas.

"We will help dispersed families find out the fates of, exchange letters with, and meet their missing families through international organizations or third countries," Kwon said.

In an interview with the newspaper SEOUL SINMUN, Kwon said that if and when South-North dialogue resumes, the South would propose and try to materialize dispersed family programs on a priority basis.

The programs, he said, could include the exchange of dispersed families' hometown visitors and the creation of a dispersed family meeting center.

On the North's food situation, Kwon said experts' observation is that their food shortages until this year's harvest season amount to about 2,330,000 tons, an amount which, he said, could feed the North Koreans through the middle of June.

"The food situation of North Korea this year looks more harsh than last year, but we understand the problem is not so serious as to shaken the North Korean system outright," he said.

Discussing South-North economic cooperation, the deputy prime minister who is concurrent national unification minister said the government would carry on pilot economic cooperation projects at the present level.

However, the government would seek to elastically expand the scope of economic cooperation depending on the progress of the light-water reactor project, he said.

The deputy premier said the government is mulling expanding the South-North cooperation fund to 300 billion won by the end of this year.

On other issues, he said the outline of the country's share in the reactor project cost would be made known in the second half of this year.

"At any rate, we plan to fix our share and the way of raising the fund in a national consensus obtained through full discussions with the National Assembly," he said.

Turning to the recent defection by Third Secretary Hyon Song-il from the North Korean mission in Zambia, Kwon said it is premature to conclude that his defection points to the deepening destabilization of the North Korean system.

The vice premier suggested that Kim Chong-il may formally assume the state presidency late this year when

the North is said to end the official period of mourning for Kim Il-song.

"We see there is no obstacle to Kim Chong-il's rise to full power as he has already taken control of the party, administration and military," Kwon said.

ROK Paper Interviews Kazakh Official on DPRK Trade Zone

SK2701230196 Seoul CHOSON ILBO in Korean
24 Jan 96 p 15

[Summary of interview with Pang Chan-yong, Kazakh special presidential aide for economic affairs, by CHOSON ILBO reporter Kim Hyon-ho on North Korea's development of the Najin-Sonbong Free Trade Zone; date and place not given]

[FBIS Summary] Pang Chan-yong, Kazakh presidential aide for economic affairs who also runs the Yusko Kazakhstan Company, visited North Korea in 1993 to meet with important North Korean officials such as Yang Hyong-sop and Kim Yong-sun, and visited the Najin-Sonbong area in 1995. He recently "confirmed with the North Korean authorities" that Pyongyang has decided to open up the waters near Najin-Sonbong to ROK fishing boats.

Asked by reporter Kim Hyon-ho about the significance of North Korea's decision to open up the waters off Najin-Sonbong, Pang said: "This shows North Korea's intention to do everything possible to make money in Najin-Sonbong, and it shows the seriousness of North Korea's economic difficulties." Regarding North Korea's policy for developing Najin-Sonbong, Pang stated: "North Korea does not appear to have a reasonable policy, instead having the simple idea that it will earn foreign currency by lending out its land." He added: "North Korea will need at least \$15 billion to prepare the indirect social capital necessary for economic activities by those foreign enterprises that desire to establish business in Najin-Sonbong. However, North Korea does not have enough money. I have personally recommended that North Korean policy makers develop the area as a tourist site first." Pang continued by saying that visits to North Korea by ROK tourism-related businessmen are now being promoted.

Answering the reporter's question on the expected influence of Najin-Sonbong's development upon the North Korean economy, Pang said the population in this area will increase to 1 million, and that the residents will directly experience the capitalist economy and come to know the ROK's economic situation. He added: "It is impossible to prevent the shock and experience they gain from spreading. The income imbalance between Najin-Sonbong and other areas will

become a major problem." Pang continued: "Unless North Korea attempts to change its system, it is highly possible that Najin-Sonbong's development, rather than solving the North's economic problems, will result in a crisis in the North Korean system."

While answering the reporter's question on the significance of Najin-Sonbong's development in South-North relations, Pang stated: "North Korea is well aware that the development project cannot be successfully implemented without the participation of ROK enterprises." He continued: "It appears the ROK Government has taken the position that it will wait until North Korea becomes submissive. However, there have been occasions that made North Korea doubt the ROK Government's true intentions. It is desirable that the ROK organizes a consortium along with the United States, Japan, the PRC, and Russia to actively participate in developing indirect capital for Najin-Sonbong." Stressing that the establishment of the free trade zone is "the most epochal and revolutionary action" North Korea has taken since 1946, Pang urged the ROK to "cope with it by adopting a careful policy in connection with the reunification issue." Pang concluded by expressing his belief that "the ROK can change North Korea by participating in the development of Najin-Sonbong."

ROK: Former Diplomat Heads DPRK Trading Firm in PRC

SK3001054496 Seoul CHOSON ILBO in Korean
30 Jan 96 p 10

[Article by reporter Kim Yon-kwang]

[FBIS Translated Text] It was confirmed on 29 January that North Korea appointed Yo Sung-chol, 52, as president of Kumgangsan International Trading Development Co. Ltd., which has been a channel for the ROK enterprises wishing to do business in North Korea since 1988. Yo Sung-chol was a senior diplomat who served as North Korean ambassador to Finland from January 1990 to June 1993. Yo reportedly was director of the North Korean Institute for International Strategic Issues, but the identity of the institute has not been confirmed. Yo has been permanently stationed in Beijing since early January.

A Beijing source who had an opportunity to meet Yo said: He has a PhD in international relations and displayed extensive knowledge on the situation surrounding the Korean peninsula. Treating the figures from the ROK cordially with manners befitting a person who was once a North Korean ambassador to a foreign country, he gave an entirely different impression from that of his predecessor Pak Chong-kun who gave a strong impression of a tradesman.

The source said: Kumgangsan International Trade Development Co. has not only played the role of a channel to promote ROK businesses' investment in the North but led the southward operations in Beijing. It seems that Yo Sung-chol will be permanently stationed in Beijing and command the diplomatic negotiations with the ROK, the United States, Japan, and China.

Kumgangsan International Trading, whose chairman is Pak Kyong-yun, a U.S.-resident Korean, helped realize the visits to the North by Reverend Mun Son-myong; Chong Chu-yong, chairman of Hyundai Group; and Kim U-chung, chairman of Daewoo Group, and invited some 100 ROK businesses to visit the North. Pak Chong-kun, who was president of Kumgangsan International Trade Development Co. since 1988, was summoned to North Korea around the end of last year on charges of squeezing out enormous amounts of money on commission from the ROK firms for arranging their North Korean visit and for leading a luxurious life and sending his children to a foreign school in Beijing. Choe Chol-yong, who was vice chairman of the Association for the Development of the Koryo Nation, was among the reported candidates to replace Pak Chong-kun.

Therefore, the appointment of Yo Sung-chol, a former ambassador, to the position of president of the company is considered to be an unusual personnel action.

ROK: DPRK Establishes Investment Firm in Beijing

SK0102064196 Seoul HANGYORE SINMUN in Korean 1 Feb 96 p 2

[Report by Yi Kil-u from Beijing]

[FBIS Translated Text] For the first time, North Korea recently established a joint venture company in Beijing that specializes in investment. To actively attract foreign capital to the Najin-Sonbong Free Trade Zone, the company will play the role of a single channel, handling such affairs as investment consultations up to visa issuance.

The joint venture company, named "Najin-Sonbong Investment Consultation Company Limited," will reportedly handle all work concerning foreign investment in Najin-Sonbong. Six director-level high-ranking North Korean officials—including Kim Chong-un, secretary of the Committee for the Promotion of External Economic Cooperation—have been dispatched to the company.

On 31 January, Yi Kyu-song, president of the Hong Kong Witaek [name as transliterated] International Company Limited, which is involved in a joint venture with North Korea, revealed as such, stating: "From

now on, all consultations on foreign investment in Najin-Sonbong will be conducted in Beijing."

The president also revealed that, since the Koryo National Industrial Development Council was dissolved in 1994, the company will fulfill the function of North Korea's sole overseas channel directly involved in the project.

He stated the company will set up a subsidiary company named "Sonyang International Trade Company Limited" in Yanji, and will handle all affairs concerning entering and leaving North Korea. He stated: "North Korea plans to hold a large explanatory meeting on investing in Najin-Sonbong in July, and that includes ROK companies."

He added: "The company will also be in charge of tours that pass through Najin-Sonbong, and will push ahead with the enactment of the advertisement law that will pave the way for foreign companies to advertise in the region."

After making an internal decision on establishing a joint venture company last December, two director-level officials, including Secretary Kim, arrived in Beijing on 12 January, and since then have begun their work.

ROK: Distribution of DPRK Paper in Japan Said Suspended

SK2901083296 Seoul CHOSON ILBO in Korean 29 Jan 96 p 11

[Report by Tokyo-based correspondent Yi Chun]

[FBIS Translated Text] The distribution of NODONG SINMUN, an organ of the North Korean Workers Party, in Japan has been suspended for three weeks now. According to the Japanese press organizations and the bookstores selling North Korean books in Japan, NODONG SINMUN, which they received twice each week by mail, has not been delivered since they received the 5 January edition of the paper. Moreover, it has been confirmed that even CHOSON TONGSIN and CHOSON SINBO, which are managed by the General Association of Korean Residents in Japan [Chongnyon], are not receiving the paper.

It is not known why NODONG SINMUN has not been delivered, but observers assume that it was caused by economic difficulty that has been continuing since the flooding in North Korea. In this connection, a person representing a bookstore which imports and distributes NODONG SINMUN in Japan said: We telephoned Pyongyang to ask about the matter, but they did not give us any explanation on the suspension of the delivery.

However, it has been confirmed that NODONG SINMUN has been delivered in a normal manner in Hong Kong. A person representing Uil Ltd., which imports North Korean publications through Hong Kong and sells them in the ROK, said: As of 27 January, we received NODONG SINMUN dated up to 17 January, and anticipate we will receive the paper dated up to 24 January soon as scheduled. There has never been a suspension or delay in the delivery of NODONG SINMUN in Hong Kong.

ROK, Japanese Firms Engaged in Hi-Tech 'Fierce Competition'

SK2801015896 Seoul THE KOREA TIMES in English
28 Jan 96 p 8

[FBIS Transcribed Text] Korean and Japanese companies are going head to head in a range of high technology products, determined to secure the lead in the global market, industry sources said yesterday.

According to the Electronics Industries Association of Korea (EISK) yesterday, companies of the two neighboring countries are in fierce competition in everything from TFT-LCDs (thin film transistor-liquid crystal displays), to digital video disc players and semiconductors.

EISK officials said the competition is so stiff that one company after another is coming up with new and improved products at every turn, accelerating the pace at which product standards are cycled.

In the areas of advanced LCDs, Samsung Electronics last October introduced the 22-inch wall-mounted television unit for the first time in the world, only to have Sharp present its 28-inch version at the Consumer Electronics Show in Las Vegas this month.

To remain abreast of the competition, Samsung is reportedly busy working on a 30-inch model to grab the upper hand in the wall-mounted television market which is seen as a potential challenge to high definition television.

In the area of DVD [expansion not given] players, both Samsung and leading Japanese companies have developed prototypes and are looking to commercially produce the new state-of-the-art products this September.

One sector where Korean companies are taking the initiative, however, is memory semiconductors where Samsung has been the undisputed global leader, recently going into the mass-production of second generation 64M DRAM (megabit random access memory) chips for the first time in the industry.

Even in color monitors, Samsung has emerged as a world leader, occupying 15.7 percent of the global

market. Samsung Display Devices is planning to ship out 1.1 million 17-inch color monitors to clients like Compaq.

ROK Not To Make 'Issue' of Japanese Prime Minister's Remarks

SK2901064396 Seoul CHUNGANG ILBO in Korean
29 Jan 96 p 2

[FBIS Translated Text] On 28 January, in connection with Japanese Prime Minister Ryutaro Hashimoto remarks regarding the Pacific War, the Foreign Ministry decided not to make an official issue of it but accept it, as the Japanese side clarified the remarks as inheriting former Prime Minister Murayama's stance on history.

The Foreign Ministry pointed out: "The Japanese Government explained to our side that the Hashimoto regime has inherited former Prime Minister Murayama's stance on history, which was expressed in former Prime Minister Murayama's 15 August press statement. It is not true that the remarks, this time by Prime Minister Hashimoto, are more conservative and stronger than that of former Prime Minister Murayama."

ROK Considers Reviving 'Peace Line' on Territorial Waters

SK2901061696 Seoul CHOSON ILBO in Korean
29 Jan 96 p 1

[Article by reporter Ku Sang-chae]

[FBIS Translated Text] It was learned on 28 January that the government is seriously considering temporarily reviving "the peace line" which is often called the Syngman Rhee line in case the order of the waters surrounding our country is disrupted by the declaration of the exclusive economic zone (EEZ) by the neighboring countries.

The peace line is a hypothetical line that divides the waters, and the government has suspended its implementation with Japan since 1965 when the ROK-Japan fishing agreement was signed and with the PRC for the sake of fishing cooperation.

A Foreign Ministry official said, "The ROK, China, and Japan should discuss the establishment of the EEZ, however, to protect our interests until the final agreement is reached, which will take a long time, we are considering a plan to actively implement the "Law on the Protection of Fishing Resources" which was legislated in 1953. The active implementation of the law, which is a law providing a basis for the peace line and the application of which has virtually been withheld so far, means the revival of the peace line. If the "Syngman Rhee Line" is applied, fishing by the

fishing vessels of a third country without permission will be prohibited on the waters within the line, and the vessel violating the line can be captured unconditionally.

The government official added, "We are considering reviving the peace line on the West Sea [Yellow Sea] area toward China in the first place and reviving the peace line on the East [Sea of Japan] and South Sea toward Japan later seeing the progress of the EEZ negotiation."

ROK Munitions Industries Promote Exports to Southeast Asia

SK2901020096 Seoul MAEIL KYONGJE SINMUN in Korean 22 Jan 96 p 11

[By reporter Yun Tok-no]

[FBIS Translated Text] Domestic munitions industries are actively promoting weapons exports to Southeast Asian countries such as Malaysia and Indonesia. Having completely supplied various munitions products domestically and in order to continuously operate their production facilities, munitions industries such as Daewoo Heavy Industry, Hyundai Precision, and Hanguk Heavy Industry are working on a full-scale to advance into the munitions market in Southeast Asia.

Hyundai Precision has been seeking to export K1 tanks. Early this month, munitions-related officials, including its Vice Chairman Yu Ki-chol, visited Malaysia and conducted talks on exporting ROK-type tanks. Hyundai Precision has also decided to actively promote the export of tanks to Indonesia.

Hanguk Heavy Industry is promoting the export of engineering equipment, such as river crossing equipment. Hanguk Heavy Industry is also seeking ways to export ribbon bridges, which are river crossing facilities for military use. It is currently holding export consultations with Malaysia.

Daewoo Heavy Industry exported K-200 armored cars to Malaysia and is currently operating an assembly production line there. It is also working hard to export K-200 armored cars to Indonesia. It was learned that the Indonesian Government expressed its intention to purchase some 70 K-200 armored cars.

Daewoo Heavy Industry decided to promote Piho, a 30mm self-propelled anti-aircraft artillery gun, and Chonmado, a short range surface-to-air missile, which they have completed developing, as export products, and is promoting to export them to Southeast Asian countries.

ROK: Global Income Taxation Alters Financial Houses Cash Flow

SK3001043696 Seoul YONHAP in English 0144 GMT 30 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The inclusion of interest income on deposits in global income taxation has drastically changed the deposit situation of financial institutions.

Under the global income tax system, a tax is assessed on an aggregated income, which includes earned income (wages), business income and unearned income (interest and rents), and now includes deposit interest income as of Jan. 1, 1996.

Since the inclusion of deposit interest income in global income taxation, banks, short-term financing houses and insurance companies have enjoyed a steady increase in deposits, while deposits with securities companies and investment trust houses have decreased, according to financial market sources.

There was a total of 20.18 trillion won in bank sales of outstanding certificates of deposit (CDs) as of Jan. 26, up 313.1 billion won from the end of last year. This is in sharp contrast to the 1.6 trillion won decline last December.

Bank trusts also saw a 1.8 trillion won increase in January, reaching 144.32 trillion won, with a household money trust increase of 1.72 trillion won to 27.94 trillion won, and development trusts climbed 374.4 billion won to 35.86 trillion won.

These increases are due to the higher interest rates on deposits that have been allowed by the government's interest rate liberalization plan.

Commercial paper (CP) sales by investment trust houses and merchant banks rose 1.38 trillion won to 39.17 trillion won as of Jan. 26, compared to the 450 billion won decrease recorded the previous month. Deposits in cash management accounts (CMAs) at these short-term finance houses also climbed 814.1 billion won to 8.83 trillion won.

Securities company deposits fell 197.6 billion won to 2.0 trillion won as of Jan. 26, and the sale of beneficiary certificates (BCs) on stock investment funds also fell 288.6 billion won to 12.09 trillion won.

An analyst said that global income taxation would continue to have a bearing on the cash flow at financial institutions until March.

ROK: Sungmi Firm's Globalization, Operations Viewed

SK0102005696 Seoul THE KOREA HERALD in English 31 Jan 96 p B4

[FBIS Transcribed Text] Established in 1980 as a petite telecom electronics company in Korea, Sungmi, by any measuring stick, is not one of those giant chaebols that have dominated the Korean economy for decades, nor is it in a position where it can boast about multibillion dollar sales figures in its annual business report.

Sungmi Telecom Electronics does, however, have a number of very good reasons to take pride in its outstanding business performance. In a recent interview with THE KOREA HERALD, company president Yu Tae-no concisely summarized Sungmi's unique competitive advantages, stating: "Sungmi Telecom, despite its size, is the one and only high-tech company in Korea, to possess all synchronous optical transmission equipment which can be used to realize the automation, stabilization and standardization of the Korean domestic transmission networks."

Employing over 200 technicians and boldly investing over 10 percent of the company's annual turnover in research & development, Sungmi has also recorded an average annual growth rate of 60 percent since its founding date, according to Yu.

For Sungmi, technology, quality and customer needs have always been the top three priorities, which have contributed largely to the development, production and provision of wire- and radio- telecommunication systems for Korea Telecom, KEPCO [Korea Electric Power Corporation] and the National Ministry of Defense.

"Our efforts have always been exclusively focused on the field of telecommunications," says Yu. Obviously, Sungmi's efforts have not failed the company—as a technologically specialized and integrated information communications company, Sungmi has developed with great success and supplied about 70 of the latest telecommunications devices, contributing largely to the nation's key telecommunications networks.

While focusing its interests mainly in the areas of broadband ISDN [integrated services digital network], personal communications service, CATV and even subscriber fax exchangers, Sungmi is pursuing internationalization to transform the company into a more administratively efficient, technologically elevated and productive organization with superior profits.

Sungmi's excellent business performance both in and out of Korea has been recognized by the Korean government on numerous occasions. In 1990, it was recognized by the minister of trade, industry and energy as the key

industry company of the year, and received the Award of Excellence in recognition of the company's effort to increase the export of advanced technology goods.

In 1991, yet another honor was bestowed upon the company, as it received the Grand-Prix Award among venture companies from the minister of science and technology not to mention many other awards given by various key government bodies during the past 10 years!

Despite numerous difficulties and challenges in collaborating with foreign companies, Sungmi has been working successfully with Canadian Maroni Company [CMC] in the field of enhanced facsimile service as it provides stored and forward facsimile transmission service over public packet switching data work.

"Sungmi and CMC have together developed HI-FAX service and the related equipment such as facsimile switching units, remote facsimile center, document and packet switches and network control center, enjoying our business relationship for many years," says Yu.

Sungmi's efforts do not stop here—last year, the company signed a technical transfer agreement with the U.S.-based company Stratacom, one of the world's leading manufacturers of ATM [automated teller machine] Switches, contracting as a distributor of Stratacom Co., Korea.

"With a complete implementation of total quality management, along with a constant pursuit of internationalization, we try to continue to contribute to the advancement of communications technology with multimedia functions where audio data and video signals can be sent and received, and ultimately to a future society where the dreams of high-tech telecommunications can be realized," concluded Sungmi Telecom president Yu Tae-no.

ROK Court Rejects Chon's Request for Trial Postponement

SK0102091096 Seoul YONHAP in English 0832 GMT 1 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 1 (YONHAP) — The Seoul District Court rejected former President Chon Tu-hwan's request to postpone his graft trial Thursday, saying it will begin as scheduled on Monday.

Through his defense lawyer Chon Sang-sok, Chon submitted to the court a request to postpone the trial Tuesday. It said that the ex-president finds it difficult to stand trial due to the nausea and dizziness he has been experiencing, apparent side effects from his prolonged fast.

A judge said, "If and when Chon's health deteriorates during his trial, we'll then judge whether or not to put it off."

Chon, already facing insurrection and treason charges, was indicted by the prosecution for graft Jan. 12. The former head of state is accused of accumulating 950 billion won in slush funds from 42 businesses while in office from 1980 to 1988, including 215.9 billion in bribes.

ROK: Third Session of No Tae-u Graft Trial Opens
SK2901054596 Seoul YONHAP in English
 0514 GMT 29 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — The third session of former President No Tae-u's graft trial opened in Seoul District Court at 10 AM Monday.

Four defense witnesses were questioned in the morning, but No's lawyers were not given another opportunity to question the ex-president. No told his defense team in the previous session on Jan. 15 that he did not want to be cross-questioned by his lawyers and that he would face any punishment that he was given him.

The court is to hear the prosecution and conclude the hearings of the 14 other defendants implicated in the same case, including Samsung Group Chairman Yi Kon-hui and Daewoo Chairman Kim U-chung, in the afternoon.

As for No, the prosecution will be made after he has been tried for other pending charges like military insurrection and treason.

Two other bribery cases were simultaneously tried during the session — one involving Kim U-chung allegedly offering 50 million won in bribes to Kim Chong-hui, No's former senior national security secretary, and the other involving former lawmaker Yi Won-cho allegedly raising 30 billion won from the Kolon Group and another business for former President Chon Tu-hwan's use.

ROK: ULD Lodges Protest Against Kim Hyon-uk's Arrest

SK3001021496 Seoul THE KOREA TIMES in English
 30 Jan 96 p 2

[FBIS Transcribed Text] The splinter United Liberal Democrats (ULD) has lodged a strong protest against Chungchong-namdo police's arrest of Kim Hyon-uk, former lawmaker now heading the ULD's district chapter in Tangjin.

The provincial police arrested Kim and his deputy Sunday on charges of violating the election law by

treating over 400 residents at a restaurant in the county under the disguise of holding an event commemorating the publication of his book on Jan. 16.

The conservative party led by Kim Chong-pil held an emergency party post holders meeting yesterday and decided to form a fact-finding mission and a defense counsel for Kim.

Terming the arrest of the ULD chapter chairman "the ruling camp's blatant suppression of opposition," the ULD, whose power base is Chungchong-namdo, decided to send a delegation to Prime Minister Yi Su-song to protest Kim's arrest.

The ruling New Korea Party (NKP) and the Central Election Management Committee, meanwhile, contradicted the ULP's claim, arguing that Kim obviously violated the election law by offering meals and books to voters.

"Besides offering sushi and other foods worth more than 2 million won to some 400 participants in the event, Kim and his deputies mailed invitations to the event to over 4,500 residents in Tangjin County and sold his book, priced at 8,000 won per copy, for half that price," a CEMC official said, adding that their every act constitutes a law violation.

Chungnam police also accused Kim of promising to give money to two weeklies published in the county in return for their reporting on the book publication event.

"It was no doubt pre-electioneering, which is banned by the current election law," an NKP official said.

Emerging from the emergency meeting at ULD headquarters, party secretary general Rep. Cho Pu-yong said that his party will not consent to the police act.

Cho even vowed that regardless of Kim's arrest, the ULD will nominate Kim as a candidate and have him run in the forthcoming National Assembly elections in the Tangjin electoral district.

ULD spokesman Ku Chang-nim also issued a statement denouncing the provincial police for arresting the ULD chapter chairman for a "trivial" reason.

"We can hardly understand why the provincial police arrested Kim for holding an event commemorating the publication of his writings, which is a normal practice among politicians," the spokesman said.

Terming Kim's arrest "the authorities' willful application of law aimed at suppressing the opposition," Ku called for the immediate release of the district chapter chairman.

ROK Defense Security Command Said Using Wiretaps

*SK2901022696 Seoul CHOSON ILBO in Korean
28 Jan 96 p 4*

[Report by Kim Min-chol]

[FBIS Translated Text] Kim Tae-chung, president of the National Congress for New Politics [NCNP], alleged on 25 January that the Defense Security Command [DSC] had been using wiretaps. The Defense Ministry officially denied this. This has created controversy as to whether Kim Tae-chung's allegations are correct or not.

During a speech at a meeting to inaugurate the Koyang, Kyonggi Province, B Chapter of the NCNP, Kim said: "The government is wiretapping approximately 5,000 people, including me, and I know the DSC is responsible for it." He also said that the "Kim Yong-sam regime is headed for a dangerous road just like the military dictatorships of the past were." He also said: "President Kim must handle political affairs with the same attitude he had when he was an opposition leader."

In connection with this, Yun Chang-no, a spokesman for the Defense Ministry, said: "His remarks are untrue, groundless, and irresponsible."

The allegation and the denial will create controversy with the elections around the corner.

ROK: Kim Tae-chung Renews Request for Party Leader Meeting

*SK3001045496 Seoul THE KOREA HERALD
in English 30 Jan 96 p 8*

[FBIS Transcribed Text] Top opposition leader Kim Tae-chung yesterday renewed his request that President Kim Yong-sam meet with him and other opposition leaders on state affairs.

"Now that the special National Assembly session is over, ruling and opposition leaders need to talk to help stabilize the turbulent political situation," said Kim Tae-chung, leader of the main opposition National Congress for New Politics.

It is desirable for President Kim to hold separate talks with each opposition party leader, he said.

But he added that he would attend President Kim's meeting with all opposition leaders at the same time.

Since he inaugurated the main opposition party last September, Kim Tae-chung insisted that top political leaders meet on state affairs.

But President Kim snubbed the proposals on grounds that the time was not right.

Kim Tae-chung's rival opposition parties have also said no to his proposal, citing similar reasons.

"Now the right time has come. I understand Chong-wadae [presidential offices] also said that a summit of rival political parties will possibly be held after the special Assembly session is over," the main opposition leader said. "It's a duty for the President to meet with opposition leader who, in turn, have the right to ask for such talks."

He said that topics could include worsening South-North Korean relations and Seoul's staggering foreign policy.

In his New Year address last month, President Kim Yong-sam offered to meet with opposition leaders.

"To ensure the forthcoming general elections will be clean and fair, I am both willing and ready to meet with opposition leaders," President Kim said.

But Kim Tae-chung demanded that the talks deal with not only the elections but also other pending political issues.

Renewing his call for talks with President Kim, Kim Tae-chung reiterated his demand that President Kim reveal how much he received from his predecessor No Tae-u to bankroll his presidential campaign in 1992.

No gave some 300 billion won to the President for that campaign, the veteran politician claimed.

ROK Parties Delay Opening Election Campaign Headquarters

*SK3001062396 Seoul THE KOREA HERALD
in English 30 Jan 96 p 2*

[FBIS Transcribed Text] Ruling and opposition parties plan to delay the inauguration of their campaign headquarters for the upcoming general elections in the face of mounting criticism that they are fanning a premature election fever.

"Our party has no intention of inaugurating our election campaign headquarters at an early date," said a spokesman for the ruling New Korea Party yesterday.

The ruling party spokesman said that its election campaign headquarters will be possibly inaugurated at the end of next month or at the beginning of March.

The ruling party had originally planned to set up its campaign headquarters by this weekend to complete its preparations for the elections.

The party, encouraged by the admission of former Prime Minister Yi Hoe-chang and former lawmaker Pak Chan-chong to its fold, had rushed the inauguration of its

campaign headquarters to jockey for position in the election campaigns.

The ruling party spokesman did not comment on why the ruling party chose to postpone that inauguration.

The party may be worried about possible criticism that it is instigating overheated campaigning by inaugurating the campaign organization at an early date.

Some party officials have opposed an early inauguration, saying that it would undermine their party's chances of winning the elections by inviting public criticism over overheated campaigning.

But some political analysts said worries about an internal power struggle may have prodded the ruling party to delay its campaign headquarters.

The ruling party may fear the abrupt concentration of power in the hands of former Prime Minister Yi, who is being tapped as the party's chief campaign manager, would stoke a power struggle. Yi had been an outsider before he was admitted to the party earlier this month.

The ruling party's plan to delay the campaign headquarters inauguration followed a proposal by the main opposition National Congress for New Politics that political parties cool off their electioneering until the end of next month.

Kim Tae-chung, president of the main opposition party, said he is worried that the election mood is being already keyed up with more than 70 days to go before the elections.

But Kim accused President Kim Yong-sam of fanning the election fever by neglecting his duties as head of state and focusing on the elections as the head of the ruling party.

"President Kim should allay public restlessness by paying attention to managing state affairs," Kim Tae-chung said.

He also said political parties should turn their eyes to resolving pending political issues before they inaugurate their campaign headquarters.

In a related move, the main opposition party said it will complete the selection of its parliamentary candidates by the end of next month instead of mid-February.

The small opposition Democratic Party, which was due to inaugurate its election campaign headquarters early next month, also plans to delay it until the middle of next month.

The party reportedly delayed the schedule in the face of factional differences over who should be the party's chief campaign manager.

The party has found itself in a dilemma over the issue of appointing a chief campaign manager as all party leaders are planning to run in the parliamentary elections in their electoral districts.

Unlike the ruling and the two opposition parties, another opposition party, the United Liberal Democrats, is planning to inaugurate its campaign headquarters in the middle of next month as scheduled.

The United Liberal Democrats believes that it suffered damage in the local elections last year by inaugurating the campaign headquarters later than other parties.

ROK: Na Ung-Pae on 1996 Economic Management Plan

SK2801022296 Seoul THE KOREA TIMES
(SUPPLEMENT) in English 28 Jan 96 pp 1, 2

[Full text of a speech by Na Ung-pae, deputy prime minister and minister of finance and economy, on the basic direction of the economic management plan for 1996; date and place not given]

[FBIS Transcribed Text] We greet this new year, the second year since the Ministry of Finance and Economy was launched to tackle the challenges of globalization, with bolstered resolve and determination.

Last year, the Korean economy underwent continuous high growth accompanied by price stability, and achieved record exports in excess of 100 billion dollars.

In addition, we have reached per capita income of over 10,000 dollars. Overall business activity, which began its rebound in 1994, registered a continued high pace expansion with a rate of over 9 percent. Despite various unfavorable circumstances, price stability was maintained with the increase in consumer prices contained at 4.7 percent.

Although the deficit in the balance of payments expanded due to the rapid increase of imports for facilities investment, the composition of imports became more sound. Moreover, the deficit is not yet a cause for alarm as its size is small relative to GNP.

Taking the spotlight last year were various sweeping reform measures, including the real-name financial transaction system, which have taken root rather smoothly throughout the nation and among the populace. Deregulation to improve the business environment has progressed steadily.

The external environment facing our economy this year will be favorable due to the continuing growth trend in the world economy and the expected stabilization of

the international financial environment and raw material prices.

Domestically, the high growth of the previous year is expected to adjust to normal levels corresponding to the potential capacity of our economy. However, there are a number of causes for concern in terms of prices presented by the upcoming general elections, the ongoing expansion of foreign capital inflows, and the possibility of a downturn in the agricultural output cycle.

Furthermore, the difficulties of certain sectors, including small and medium industry, in adapting to the economic restructuring process dictated by the expansion of market opening and competition, are expected to continue.

In addition, policy coordination between central and local governments is likely to encounter some difficulty as local autonomy is put into effect on a fuller-scale.

Nonetheless, we must not allow the trend of stable economic growth to be disrupted due to domestic variables, especially while the external environment remains favorable.

The basic direction for economic policy this year will be based on the "New Economic Plan" which has been carried out stage by stage since the inauguration of the new non-military government. We will focus on raising public faith in government policy by closely reexamining all current policies and proceeding with their implementation in a consistent and predictable fashion.

Our primary goal is to successfully engineer a soft landing for the economy and return to a sustainable growth rate from its previously rapid pace. To achieve this objective, firstly, we will work to maintain economic vitality based on price stability by stably managing macroeconomic variables, including the government budget, taxation, and monetary policies. This must all be done while maintaining the ability to respond flexibly to the business cycle situation and changes in the economic environment.

Secondly, various economic reforms and deregulation aiming to improve the business environment will be steadily advanced in the new year. We will work to realize the more firm establishment of the real-name financial transaction system in the economic lifestyles of the populace. In addition, the real-name real-estate transaction system, to go into full-scale effect, and the global income tax system will be implemented strictly according to schedule.

Various regulations which deter normal corporate business activity will undergo more dramatic deregulation

in an effort to improve the business environment on a fundamental level.

Thirdly, to address the problems of economic polarization and the struggling sectors, we will assist them in adapting to the economic restructuring process as much as international regulations permit. Thus, this effort will direct our policy so as to help small- and medium-sized enterprises and small businesses on a practical level.

As for the agriculture and fisheries sector, we will implement the Farm and Fishery Structural Improvement Project and an investment project, to be funded by the Special Agriculture Tax, which is already in effect, according to schedule.

Fourthly, we will work to ensure overall stability and uphold living standards to a level commensurate with that of a nation with per capita GNP of 10,000 dollars. Since the stability of living standards begins with price stability, we will work hard to stabilize the cost of living using every available policy device within the framework of the market mechanism.

We will also exert efforts to raise safety standards of food products and facilities, which have been neglected in the past in the process of the promotion of rapid economic growth. In addition, we will continue to seek to improve the convenience of basic living conditions, in such areas as transportation, environment, medical services, and education.

Fifthly, we will streamline our administrative systems to more closely reflect those of the "globalized" world and to harmonize them with those of advanced countries. In order to prepare for accession to the OECD, to effectively adapt to the WTO [World Trade Organization] system, and to assimilate with the world economy, we will pursue bold economic reforms which will facilitate the globalization of our economy and strengthen our national competitiveness, while not disrupting the trend of stable economic growth.

We will continue to transfer various functions and authority from the central government to local governments in efforts to strengthen the finances of local governments and improve the system of policy coordination.

I want to emphasize that success in tackling policy issues comes with the support of continued economic growth. Furthermore, the continuation of optimal economic growth hinges on the firm establishment of basic economic stability.

Thus, in this regard, we must make our best efforts to promote autonomy and creativity in businesses and the

private sector so that they may thrive amid increasingly fierce international competition.

The push to create an advanced economic environment while maintaining stable economic growth and to adapt positively to changes in the world economy, requires the dedicated efforts and progressive thinking of our public officials. In particular, we at the Ministry of Finance and Economy will continue to work hard, keeping in mind that we are the trailblazers of globalization of our nation's economic sector.

Lastly, I would like to add that in order to transform into a globalized advanced economy, the active participation and cooperation of citizens and business is no less important than the efforts of the government.

ROK Samsung Urges Placing Economic Needs Before Politics

*SK2801020196 Seoul THE KOREA TIMES in English
28 Jan 96 p 8*

[FBIS Transcribed Text] After a prolonged period of appeasement of the government, the Samsung Group has now warned against the dangers of giving greater priority to political principles than economic needs.

The warning, which came in the form of a paper published in a weekly journal by the Samsung Economic Research Institute, is attracting particular attention since it is the first since the inauguration of the new economic team.

According to the report by senior researcher Yi Ukwang, the government is rightly pushing for brisker investment but the aim of its policy borders on political considerations rather than economic needs.

"Should the government decide to use investment as a tool to generate support ahead of the upcoming general elections in disregard of economic reality, there will be drastic repercussions," the report said.

While the government's argument is that investment must be concentrated in the first half of the year to

cushion the possible fall from the strong economic performance last year, investment efficiency also must be taken into consideration.

The report said there is every possibility that investments may be channeled to less popular regions in the hope of winning votes but this would go directly against the principle of the right investment at the right time.

In addition, Samsung researchers said it is critical that the government refrain from coming down hard on large companies as a means of gaining popularity and offering "sympathetic" policies.

"Such superficial moves will not only result in a poor atmosphere in the business community but lead to low growth, price instability and ultimately stagflation," Yi indicated in the report.

He went on to emphasize that should the government decide to use the recent financial scandals former presidents and business leaders have been involved in as a political tool, it will inadvertently discourage investments.

By doing so, Yi said, the government will be going directly against its policies of globalization and setting back its improving status in the international community.

The financial scandal in which former presidents Chon Tu-hwan and No Tae-u allegedly illicitly pocketed hundreds of billions of won have resulted in top businessmen like Samsung Group chairman Yi Kon-hui and Daewoo Group chairman Kim U-chung standing trial for bribery.

Yi said in conclusion that prioritizing political rather than economic principles will make it increasingly difficult to realize swift reforms and will hinder Korea's efforts to join the ranks of advanced countries.

Burma

Burma: SLORC Forms Committee To Promote PRC Economic Cooperation

BK3101144096 Rangoon Radio Myanmar in Burmese 1330 GMT 31 Jan 96

[FBIS Translated Text] A leading committee to promote economic cooperation between the Union of Myanmar [Burma] and the People's Republic of China has been formed.

The State Law and Order Restoration Council [SLORC], in order to further develop bilateral economic cooperation between the Union of Myanmar and the PRC and to increase Myanmar's economic development momentum during the short-term five-year economic plan beginning from the 1996-97 fiscal year, has formed a Leading Committee to Promote Economic Cooperation between the Union of Myanmar and the PRC with the following persons:

1. SLORC secretary-1 as chairman
2. Minister of industry-1 as member
3. Minister of forestry affairs as member
4. Minister of agriculture as member
5. Minister of religious affairs as member
6. Minister of hotels and tourism as member
7. Minister of progress of border areas and national races and development affairs as member
8. Minister of mines as member
9. Minister of transport as member
10. Minister of rail transportation as member
11. Minister of industry-2 as member
12. Minister of national planning and economic development as secretary.

Burma: Source: Troops Massed for Assault Against Karenni

BK0102065096 Hong Kong AFP in English 0601 GMT 1 Feb 96

[FBIS Transcribed Text] BANGKOK, Feb 1 (AFP) — Burmese troops massed for an assault on the southern outposts of ethnic Karenni rebels along the Thai border awaited supplies after separate divisions took hill positions to the north, a Karenni source said Thursday.

About 4,000 Burmese troops had massed near Kauk Kauk in the south of Burma's eastern Kayah State opposite the Thai province of Mae Hong Son, and a party of 70 porters was being escorted into the area with supplies, the source said in a statement.

The porters, usually villagers abducted and forced into service, included more than 10 women, the statement said.

An offensive was expected in the Kauk Kauk area when the additional food and ammunition arrived, it said.

The Karenni have only about 1,000 armed fighters, a Karenni source reached by telephone from Mae Hong Son said.

On Monday, another 4,000 Burmese troops pushed Karenni National Progressive Party (KNPP) out of hilltop bases to the north in the Hta Na Khwe area with a two-pronged assault, the sources said.

KNPP forces were pinned down with heavy guns while forces of the Karenni National People's Liberation Front (KPNLF) were "forced to lead the assault," the statement said.

The KPNLF was a "communist" group which split from the KNPP more than six years ago and has been cooperating with the Burmese government for the past year, the sources said.

One government soldier had been killed and one wounded, while two KNPP soldiers were badly burned by a flame thrower in the fighting around Hta Na Khwe, they said.

The Karenni had been among 15 armed ethnic groups to have signed ceasefire agreements with Rangoon, but they repudiated the agreement after government troops refused to withdraw from areas it had designated as Karenni-controlled. [words indistinct] military junta said their presence was necessary to halt illegal logging and exports.

The ruling State Law and Order Restoration Council has had a string of successes along the Thai border in the last year, but the Karenni and other larger ethnic groups still hold territory in the interior and on the borders with Laos and China.

Burma: Minister Prioritizes Economy Over Talks With Suu Kyi

BK0102042696 Bangkok BANGKOK POST in English 1 Feb 96 p 7

[Report by Suphaphon Kanwirayothin and Nutsara Sawatsawang]

[FBIS Transcribed Text] Rangoon — The junta is so busy preparing for Burma's economic takeoff to hold talks with opposition leader Aung San Suu Kyi, a senior military official said yesterday.

Economic factors had to take priority over talks with the leader of the National League for Democracy [NLD], said Hotels and Tourism Minister Kyaw Ba.

"This is not the time for dialogue but the time to work, he said. "We must first see to it that the people get rich.

"Now we are fully involved in economic development work. We don't have enough time for a dialogue with her," said the official of the State Law and Order Restoration Council (SLORC).

"We must focus on boosting agricultural production and creating jobs for the people," he said.

On Tuesday, a gathering of central and local officials in a quarterly development review concluded with Gen Than Shwe, SLORC chairman, saying political stability would facilitate the drafting of a constitution.

The task is being carried out by the National Convention, whose delegates were handpicked by the SLORC.

Gen Than Shwe urged "constant vigilance against possible destructive and disruptive acts from inside and outside to hinder the emergence of the Constitution".

According to Lt-Gen Kyaw Ba, the NLD leader would also be denied a role in the economic development drive because she has "no experience in the country" and "lacks historical background" of the independence struggle.

The junta had weathered hardship with scant foreign aid in recent years and therefore saw no need to win United States' endorsement for access to loans from financial institutions such as the World Bank and International Monetary Fund.

"The Japanese, Germans, French and South Koreans are developing a positive attitude towards us," he said. "The United Nations Development Programme has given us \$52 million [figure as published] in aid this year and in the very near future and in a big moment, more donors.

"We are not worried. As long as we keep up our good work, they can come and see with their own eyes that they should give loans to Myanmar (Burma)," he said.

Burma: More MTA Members Surrender in Tachilek 29 Jan

BK3101161396 Rangoon TV Myanmar Network in Burmese 1330 GMT 31 Jan 96

[FBIS Translated Text] Members of the MTA [Mong Tai Army] led by U Khun Sa have been continuously returning to the legal fold after realizing the genuine goodwill of the Defense Services. Ah Lai, company commander and political officer in charge of the Dwe Thaw Kham group from Tachilek township, and 38 members surrendered in Tachilek during the morning of 29 January after contacting the forward military column at Ah Gay Village in the Dwe Thaw Kham Village Tract.

Ah Lai and party arrived at Tachilek during the afternoon and were warmly welcomed by Lieutenant Colonel

Khin Zaw, chairman of the Tachilek District Law and Order Restoration Council, and by military officers, responsible departmental personnel, and about 30,000 people from Tachilek, who presented them with cigarettes, cold drinks, and other presents. They were later transported to reception centers by military trucks.

A ceremony was held at the Myoma sports grounds in Tachilek on 30 January, at which MTA members led by Company Commander Ah Lai laid down their arms and returned to the legal fold. At the ceremony, Lt. Col. Khin Zaw, chairman of the Tachilek District Law and Order Restoration Council, delivered a welcoming address. The MTA commander Ah Lai next asked for pardon for their past misdeeds and explained the reasons for their surrender. Next, the MTA members individually surrendered their arms while the company commander presented the list of surrendered members and arms to the chairman of the District Law and Order Restoration Council. Ah Lai and the MTA members brought along 21 assorted weapons, assorted ammunition, and hand grenades. The ceremony ended after necessary assistance was given to those who surrendered.

It has been learned that a total of 12,099 MTA members have returned to the legal fold since 5 January 1996, bringing 7,323 assorted weapons.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: More Vietnamese Said Accepting Repatriation

BK0102075596 Kuala Lumpur THE STAR in English 1 Feb 96

[Report by Lourdes Charles — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — About 876 of the more than 4,000 Vietnamese boat people housed at the transit camp in Sungai Besi have voluntarily agreed to return home.

Camp officials said yesterday the figure was raising every day and described this as a good sign.

A check by THE STAR yesterday showed many boat people were asking for repatriation forms from officials while others were seen checking the name lists on the notice boards to see if they were among those accepted by their government to return home.

A camp official said about 151 boat people were expected to be sent back on February 6.

The official said that before the January 17 incident during which the boat people clashed with police, only 94 people had agreed to be repatriated under the Voluntary Repatriation Programme (Volrep).

One of the boat people was killed and 23 others, including five policemen, were injured in the incident.

The official said things had since changed and the 876 boat people felt they should return home.

It is learnt 25 of the boat people were sent back on January 25 and the camp authorities with the help of the United Nations High Commissioner For Refugees (UNHCR) were processing the necessary documents for others who had agreed to return.

Malaysia: Arabs Involved in Deviationist Teachings Shot

BK0102080696 Kuala Lumpur THE STAR in English 1 Feb 96

[Report by Muguntan Vanar — received via Internet]

[FBIS Transcribed Text] Kota Kinabalu — Two foreigners wielding iron rods and believed to be involved in deviationist teachings were shot by police when they resisted arrest and charged at the police near the Central Market here yesterday.

Detectives rushed to the scene at about 2 pm after being informed that the two were threatening the public and passing motorists in a foreign language.

Sabah Police Commissioner Datuk Maizan Shaari said one of them was shot in the abdomen and the other in the leg.

A 25-year-old local bystander was also injured when a bullet grazed his right leg, he said.

All three were admitted to the Queen Elizabeth Hospital where they were reported to be out of danger, he said.

The two foreigners are believed to be from the Middle East but police have yet to establish their identities as no travel documents or identification papers were found on them.

Maizan said police suspect that the two might be the ones on the police wanted list for alleged involvement in spreading deviationist teachings.

"The descriptions given of the duo fit but we have to check their identities first," he said.

Kota Kinabalu OCPD [Officer in Charge of Police District] ACP [Assistant Commissioner of Police] Muslim Mohamed said three detectives who rushed to the scene ordered the duo to surrender but they charged at the detectives.

The policemen then fired six shots at them, he said.

Muslim urged witnesses to help police in their investigations.

Malaysia: No Evidence Implicating Ex-Minister Found

BK0102081196 Kuala Lumpur THE STAR in English 1 Feb 96

[Report by A. Letchumanan — received via Internet]

[FBIS Transcribed Text] Melaka — The High Court here was told yesterday that police did not find any evidence to corroborate an allegation by an underaged girl that she had sex with former Melaka chief minister Tan Sri Abdul Rahim Tamby Chik.

State CID [Criminal Investigation Department] chief Assistant Commissioner Mok Siew Hoong said the girl also did not lodge a police report against Rahim but did so against 14 other men.

He also said Rahim had denied being involved with the girl in a statement.

"Besides the girl's evidence, I did not have any direct evidence from other witnesses to corroborate the secret affair with Rahim," the state CID chief said.

He was testifying on the final day of the trial of Kota Melaka MP [Member of Parliament] Lim Guan Eng who is charged with two separate offences under the Sedition Act and the Printing Presses and Publications Act.

Lim, who is the state DAP [Democratic Action Party] secretary, is alleged to have made the seditious statements at Dewan [hall] Permai Sari, Hotel Emperor, Jalan [Road] Munshi Abdullah here, on January 19, last year.

He faces a second charge of publishing a pamphlet titled *Ceramah Kisah Benar* (Talk on a True Story) with the malicious intention to print the false news under the title *Mangsa Dipenjarakan* (Victim Jailed) in Melaka Tengah [central] district last January.

ACP [Assistant Commissioner of Police] Mok said the girl made the allegation in her police statement and claimed that she had a hubungan sulit (secret relationship) with Rahim.

High Court Judge Justice Datuk Mohamed Noor Abdullah then intervened and asked for clarification of the meaning of hubungan sulit to avoid confusion and ACP Mok said it meant sexual relationship.

In response to a question from defence counsel, Karpal Singh, Mok said the girl's statement was recorded

by DSP [Deputy Superintendent of Police] Chong Fui Fong.

ACP Mok said that he lodged a police report on August 29 after reading a Malay newspaper report which stated that Rahim had a secret affair with an underaged girl.

To another question, Mok said the Attorney-General's chambers had decided not to charge Rahim because of insufficient evidence.

(Rahim, who quit his political and government posts after the allegations surfaced in August 1994, was cleared of allegations of having sexual relations with the girl by the Attorney-General Datuk Mokhtar Abdullah three months later.

(The girl was ordered to be detained in a rehabilitation home in Rembau for three years in December last year while the majority of the men, who pleaded guilty to the rape charges, were bound over by the sessions court).

The prosecution yesterday closed its case after calling 15 witnesses.

Karpal Singh then sought an adjournment for the submission as he had filed with the Federal Court yesterday for ruling on the standard of proof required to be established at the end of a prosecution's case.

Judge Mohamed Noor, in granting the request, said the court would hear submissions on February 8 if the Federal Court was to give a decision on Monday, but the case was scheduled for mention on March 8 if the Federal Court reserves judgment.

Singapore

Singapore: Defense Minister on Regional Security Issues

BK0102120096 Singapore THE STRAITS TIMES
in English 1 Feb 96 p 22

[Report by Felix Soh]

[FBIS Transcribed Text] As long as there is a US military presence in the region and China is integrated into the international political and economic system, the world is more likely to see responsible rather than rogue behaviour on the part of Beijing.

Touching on Singapore's views of the security situation in the region, Deputy Prime Minister and Defence Minister Tony Tan also said Japan was less likely to embark on re-militarisation if there were a strong US-Japan security alliance and stability in Sino-Japanese relations.

He said that although the Asia-Pacific region was generally stable, there were some potential hotspots,

notably in the Korean Peninsula and the South China Sea.

The tension in the Taiwan Straits was also cause for concern, he pointed out.

He said the prospects for the near term were good as countries in the region focused on economic development.

But the outlook for the longer term was more uncertain, he said.

"An important factor which will determine the state of regional stability and security is how the triangular relationship among the US, China and Japan evolves," he commented.

Regional stability and security could be enhanced by a security architecture comprising an interweaving network of bilateral relationships and multilateral arrangements, said the Deputy Prime Minister.

"The bilateral relationships and multilateral arrangements develop cooperation and improve understanding," he said.

Multilateral forums include ASEAN, the Asia-Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum (ARF) and the Five Power Defence Arrangements (FPDA).

Dr. Tan said they also provided opportunities for dialogue not only among regional countries but also between them and the countries which have a major role to play in the region.

Singapore was playing an active role in the multilateral forums to promote the habit of consultation and cooperation, he said.

Stressing the importance of the ARF, he disclosed that Singapore was looking forward to co-chairing the forum's intercessional meeting on search and rescue with the US next month.

The ARF's second meeting in Brunei last July agreed on the convening of intercessional activities on confidence-building measures, search and rescue coordination and cooperation and peacekeeping.

Cambodia

Cambodia: Interior Ministry Official Views Border Land Issue

BK3101133796 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 31 Jan 96 pp 1,4

[Report by Dararit]

[FBIS Translated Text] Interior Ministry State Secretary Ho Sok issued a warning to officials in Takeo Province,

particularly those in Boreicholasa District, who have leased Cambodian farmland to ethnic Vietnamese. This is improper and could lead to the voluntary sale of Cambodian land to Vietnam. The governor and deputy governor of Takeo Province should investigate and bring an end to this improper practice by district officials and police.

Ho Sok added that this is a serious offense and that the provincial governor and provincial police chief should reveal the officials who have leased land to Vietnam. This issue should go hand-in-hand with the defense of our territorial integrity to prevent Vietnamese aggression or violations. We must investigate whether our forces, authorities, and administration have committed any wrongdoing against the nation or have leased land to Vietnam.

A provincial police official said that the leasing of land has occurred only in Boreicholasa District, because people and officials there prefer trading to farming. Therefore, they have leased to Vietnam the land allotted to them by the state. The land has been farmed by the Vietnamese for years. This year, however, there is a problem. Vietnam is accused of farming Cambodian land; the Vietnamese reply is that they have been farming the land for years. Why are they being accused of violating Cambodian territory? This police official said that the majority of people who have leased land to the Vietnamese are officials in Boreicholasa District and police officials stationed at border checkpoints.

Interior Ministry State Secretary Ho Sok raised this issue as he was bringing 10 tons of rice and six 18-horse power generators—gifts from Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia—for the people to use in restoring and repairing irrigation dikes in Ang Kouk in Kaoh Andet District, Takeo Province.

The dike at Ang Kouk is a major waterwork in Kaoh Andet District. If the government can fully restore it, the dike can prevent the flooding of rice fields and retain up to 20 million cubic meters of water, which is sufficient to grow 15,000 hectares of sowed rice and dry season rice. This would make rice plentiful in Kaoh Andet District.

Ho Sok called on Takeo and districts in the province to expand dry season rice land as far as the Vietnamese border to enable our people to farm there. This is also a strategy to defend our territorial integrity. The Vietnamese have sneaked in to farm our land because nobody lives there.

An official in Kaoh Andet District told REAKSMEI KAMPUCHEA that the district was one of the rice

bowls during the Sangkum Reas Niyum era. Tens of thousand of hectares were farmed by Cambodians; no land was left fallow. People who farmed here are not only from Takeo Province but also came from other provinces. The land provided a very high yield. This official also said that land was farmed right up to the border in 1979-80. Due to the large expense and unsatisfactory return, however, farmers were compelled to move out. This official pointed out that it is difficult to encourage farmers to work the land as far as the border because the expenses incurred are not commensurate with the return in paddy yield if only one or two hectares of land are farmed. Therefore, only those who can farm from 10 to 20 hectares using tractors can do it. Rice fields have to be closely looked after because the area is remote, and there are many rats.

Cambodia: Khmer Rouge Criticizes Encirclement of KNP Headquarters

BK3101151396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 30 Jan 96

[FBIS Translated Text] 1. Communist Vietnam and its out-and-out lackey puppet Hun Sen ordered over 300 heavily-armed Dac Cong troops [Vietnamese sappers] to surround [former Finance Minister] Sam Rangsi's Khmer Nation Party [KNP] headquarters in Phnom Penh on 29 January. What was the purpose of this action?

The answer to this question is already known because this kind of obsolete buffoonery has been stage-managed by communist Vietnam and its puppet several times. The Cambodian nation and people have already vehemently denounced and condemned the farce.

2. The encirclement by heavily-armed Dac Cong troops' that was ordered by communist Vietnam and its out-and-out lackey puppet Hun Sen is aimed at threatening the KNP as well as other political parties and personalities. Recently, they also ordered a large unit of tanks and armored personnel carriers to surround, arrest, and send Prince Sirivut, secretary general of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, to the guillotine. They have now acted in the same manner against Sam Rangsi's KNP. They will continue to maneuver like this ceaselessly in the future because this is part of communist Vietnam's and the late Ho Chi Minh's strategy of wolfing down, swallowing, and controlling Cambodia in a dictatorial and monopolistic manner.

3. The event did not happen by chance. It is connected to communist Vietnam's tactics of organizing its exclusive elections in 1998. On the one hand, communist Vietnam

ordered the ghoulish Ranariddh to clown to restore his trademark for the purpose of further serving as a dog guarding the communist Vietnamese out-and-out lackey puppet Hun Sen's house. On the other, it continues to destroy and sweep away all political parties and personalities that refuse to bow before it.

4. It can be seen that communist Vietnam and Hun Sen did not surround and threaten only the KNP this time, but also the long-nosed guys, human rights and pro-democracy organization workers, as well as diplomats of major western powers. Especially, it took the action in the wake of Winston Lord, U.S. assistant secretary of state, coming to lick its shit. This is tantamount to knocking the United States on the head repeatedly.

This event most blatantly shows that communist Vietnam and its out-and-out lackey puppet are fully and totally dictatorial and monopolistic. They allow no one to stand in their way. As for an alliance, if it continues to brown nose communist Vietnam, it will only lick the communist Vietnamese out-and-out lackey puppet's shit.

5. Given the situation in which they are so fascist and dictatorial, how can we talk about pluralistic free democratic elections. This is completely nonsensical. The Cambodian nation and people are not so stupid, allowing themselves to be pushed into jail or sent to the guillotine by communist Vietnam and its out-and-out lackey puppet. This will never happen, no matter what. The problem with regard to the nation is crystal clear this year.

Cambodia: KR Reportedly Destroys Dang Tong District Seat 27 Jan

*BK3101135596 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 31 Jan 96 pp 1,2*

[Report by Vong Muol]

[FBIS Translated Text] The Dang Tong District office building in Kampot Province was completely destroyed by a group of 30-40 Khmer Rouge [KR] rebels after they infiltrated the building at 0100 on 27 January to burn and steal the belongings of the occupants of the district seat.

According to Yin Sari, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party representative in the district, a group of about 30-40 KR rebels sneaked in at 0100 on 27 January and fired 12 B-40 rockets that completely destroyed the Dang Tong District office building. They then swarmed over the township and sprayed bullets at the marketplace and houses nearby.

A preliminary report said that the district office building was totally destroyed, and a district land office, 16 stalls, and 40 houses were burned down. In addition, the people's belongings and recently harvested rice were almost totally burned. No loss of life was reported, but blood trails, probably from wounded KR rebels who were dragged away by their comrades, were spotted in the area.

Observers said the KR rebel group was sent by Paet [notorious Khmer Rouge general responsible for killing three foreign tourists in Kampot Province's Phnum Voar area in early 1995] from Kaoh Sla Ket via Chamka Sak to destroy the district office building.

During the gun battle of more than three hours, district forces lost communications contact with the province. Another cause of the district's losing control during the fighting was that almost all of the government troops were sent to Kaoh Sla.

The rebel group has now reportedly been besieged overwhelmingly by government forces. Although the rebels managed to destroy the Dang Tong District office building, they were not able to undermine security and law and order at tourist sites in the region.

Nevertheless, it is necessary for provincial authorities and the government to provide emergency aid to the 40 families of victims whose houses were completely burned by the rebels. This is part of the suffering the KR rebels continue to inflict upon our people, and this is the first time that Dang Tong District has been attacked since the Phnum Voal area was completely liberated in early 1995.

Cambodia: Government Troops Reportedly Nearing Pailin

*BK0102104296 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 1 Feb 96 pp 1, 5*

[Report by Peyatro]

[FBIS Translated Text] An important general in the 5th Military Region said on 28 January that the government forces, including regular and operational subzone troops, had captured a number of positions near Pailin and that they were no more than 20 km away from the city of Pailin. He added that the government troops in bunkers on all fronts were ready to cope with panicky young Khmer Rouge [KR] soldiers, who were afraid of losing positions.

The commander of the Pailin operational subzone told a REAKSMEI KAMPUCHEA reporter in Battambang Town on 28 January that his troops had reached the Neang Lelea hilltop, which was an outpost 20 km away

from Pailin city. In the city, the KR were seen using 30 tanks and 100-mm cannon to fire artillery shells onto the Treng area.

The commander of the Treng frontline battlefield reported at the end of January that our regular troops had made substantial progress and had confronted the KR along Route 10, and that the fiercest fighting had taken place in an area 4 km east of Phnum Veng. The 4th division troops had killed 19 KR soldiers there. He added that tanks could not move along Route 10 because of land mines laid by the KR. Whenever a tank stepped on a mine, its track was badly damaged.

A deputy commander of the 5th Military Region said there is little possibility of the KR being able to confront us. What we need to do now is to move past Kon Damrei Hill and the Veng Hill chain, then the KR position of Pailin will inevitably fall into the government's hands.

The deputy commander disclosed that on the first day of fighting, our troops killed over 50 KR soldiers in the 5th Military Region and that we had received 138 people who are KR family members.

The Defense Ministry said in a press communique released at the end of this week that the Khmer Royal Armed Forces have no plan to launch any offensive during this dry season. The recent arm clashes were activities carried out by the KRAF only to protect the people under the control of the Royal Government and avert the KR raids on government positions.

**Cambodia: Tie Banh, Tea Chamrat Visit
Combatants on Front Line**

*BK0102104396 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 1 Feb 96 pp 1, 2*

[Report by Peyatro]

[FBIS Translated Text] During a recent inspection tour aimed at boosting the morale of the armed units stationed in border areas in Battambang and Banteay Meanchey Provinces, Tie Banh and Tea Chamrat, co-ministers of national defense, said one should not only order troops to advance and fight without constantly caring for their living conditions and correctly providing them with their allotted rations.

During its three-day mission, from 27 to 29 January, the Defense Ministry delegation, accompanied by all concerned department chiefs, wanted to find out where the Defense Ministry-approved supplies for the armed units were and to solve all outstanding problems once and for all.

In both Battambang and Banteay Meanchey Provinces, the codefense ministers, who are also deputy com-

manders in chief of the Khmer Royal Armed Forces [KRAF], saw that the rations allocated had already been distributed, but more were still needed.

Tie Banh and Tea Chamrat pledged to all-level commanders on the Route 10 and Khla Ngoap fronts that they would provide them with extra supplies, medicine, rice, and food stuffs on top of the current rations.

Aside from guaranteeing that more supplies will be given the combatants on active mission during this dry season, the Defense Ministry also handed over a sum of money and a quantity of foods to the armed units to boost their morale.

Everywhere, Generals Tie Banh and Tea Chamrat urged army commanders to dedicate attention to protecting the people in the rear, defending the government-controlled areas with a view to expanding to the maximum agricultural development regions, smashing the Khmer Rouge forces, and stopping them from carrying out activities that destroy the people's achievements and lives and attacking and capturing any of our bases or regions.

Indonesia

**Indonesia: Palapa C-1 Satellite Launched From
Cape Canaveral**

*BK0102102396 Jakarta Radio Republik Indonesia
Network in Indonesian 0600 GMT 1 Feb 96*

[FBIS Translated Text] The Palapa C-1 satellite belonging to P.T. Satelit Palapa Indonesia [Satelindo] was successfully launched from Cape Canaveral, Florida, the United States at 0815 West Indonesian Standard Time today [0115 GMT]. Zakarias Surawijaya, director general for tourism, posts, and telecommunications, and Indonesian Ambassador to the United States Arifin Siregar witnessed the launching at Cape Canaveral. The launching, which was broadcast live nationwide by TVRI [Televisi Republik Indonesia], was closely monitored by Joop Ave, minister of tourism, posts, and telecommunications, and invitees at a Satelindo earth control station at Daan Mogot, Jakarta.

Minister Joop Ave said a partner of the government lived up to the government's decision to involve the national private sector in the satellite sector government by successfully doing its job today.

The Palapa C-1 satellite, which has 34 transponders, will operate at 113 degrees east longitude. Palapa C-1 is superior to Palapa satellites of previous generations in terms of the number of transponders, the coverage area, and life span. The satellite, which is expected to last 14 years, spans Irian to Vladivostok, Russia, in the

west, and Sydney and New Zealand in the east, with the Pacific as the coverage area.

Indonesia: Editorial Views France's Nuclear Tests
BK0102103996 Jakarta REPUBLIKA in Indonesian
31 Jan 96 p 6

[Editorial: "After the Sixth Nuclear Explosion"]

[FBIS Translated Text] What does France really want? Two days after conducting his country's sixth nuclear test, French President Jacques Chirac said: "I hereby declare that this test ends the series of nuclear tests by France."

Chirac even went on to say: "France understands the worldwide criticisms against its nuclear tests, but the tests have been conducted to strengthen peace."

Carried live on television from the Elysee Palace, the announcement was tantamount to an insult to the international community. The French Government's "understanding" of the worldwide criticisms was voiced when the nuclear tests had been declared over. Moreover, what must be stressed here is that the tests are stopped not because France listened to the international community's protests, but because that country from the beginning planned to explode its nuclear device six times. Such is the truth!

The casual way France conducted its nuclear tests, which began in June 1995, also showed the world how the international community was not powerful enough to apply pressure on that country to stop its nuclear tests. Big countries were not serious enough in opposing the tests, because they are France's allies. British Prime Minister John Major even supported French President Jacques Chirac's action.

The fact that no significant opposition was mounted against the nuclear tests also confirms that big countries continue to maintain a double standard on arms issues. We do not mean to defend Iraq, but the big countries' treatment of that country is evidence of this double standard policy. France has the freedom to conduct nuclear tests and the United States has the freedom to store tons of chemical weapons, the storage of which it recently acknowledged. Developing countries, however, cannot hope to behave in such a way.

We must reject all types of arms development — nuclear, chemical, and biological — which have the potential to destroy humans and humanity, by both developing and developed countries. Thus, we deeply regret that France did not heed protests calling for an immediate halt to its nuclear tests.

The fact that Western European countries and the United States welcomed President Chirac's announcement on his decision to stop France's nuclear tests is political mockery. This is true especially in view of the fact that France's move is hailed as providing a "new momentum" to the efforts to conclude the nuclear test ban treaty this year. This stance in no way changes the fact that France has successfully established itself as a nuclear power. However, will the world be more peaceful?

Indonesia: Human Rights Commission To Join Efforts To Free Hostages

BK0102131496 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 1 Feb 96

[FBIS Translated Text] The National Commission on Human Rights [KOMNAS HAM] will be involved in efforts to free the hostages in the Baliem valley in Irian Jaya. This decision was reached following a meeting between ABRI [Armed Forces of the Republic of Indonesia] Commander General Feisal Tanjung and commission members in Jakarta this morning.

KOMNAS HAM Deputy Chairman Marzuki Darusman dismissed reports, however, that the commission will soon send its members to Wamena. The commission shares the government's view; namely, it rejects the demand made by Kelly Kwalik, leader of the Irian Jaya GPK [security disturbance movement], on the conditions for the hostages' release. Kwalik said he will free the hostages if he is allowed to meet with an official representative of the hostage's government, and the meeting must be attended and covered by international journalists. The commission rejects such a demand, because it will only raise the hostage-taking incident to the international level.

Meanwhile, Brigadier General Suwarno, chief of the ABRI Information Service, said the ABRI commander basically has no objection to KOMNAS HAM sending its members to Wamena. It is feared, however, that the commission members might in turn be taken hostage by the GPK, and this will only boost the Irian Jaya GPK's position.

Indonesia: Churchmen, Officials Approve ABRI Operation in Irian Jaya

BK0102095096 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 1 Feb 96

[FBIS Translated Text] Several people, including Jayapura Bishop Munninghoff, believe that ABRI [Armed Forces of the Republic of Indonesia] should now launch a military operation to free a group of Indonesian nationals and foreigners taken hostage in Mapenduma village

after a persuasive approach has failed to produce results. Radio Republik Indonesia compiles the views of these people and our correspondent Tomy Kwadisena reports:

[Begin recording] [Kwadisena] The hostage-taking drama in Mapenduma, near Baliem Valley, by the Irian Jaya GPK [security disturbance movement] seems to be approaching a climax, because ABRI's persuasive approach to free the remaining 13 hostages is no longer effective. Jayapura Bishop Herman Munninghoff said this in a long-distance telephone interview with Radio Republik Indonesia this afternoon. The Catholic bishop, along with other churchmen, namely, Andrean van der Bijl, Johannes Gobay, and Paul Burhardt, who were recently appointed as mediators between the Indonesian Government and the Irian Jaya GPK, said they have not been contacted by the abductors in the last three days. Bishop Munninghoff said this situation should prompt ABRI to launch a military operation, which will be a correct and wise move to speed up the release of the hostages. The churchmen said ABRI should launch a military operation only as a last resort, but they praised ABRI for its patience and wisdom in dealing with the abduction.

[Munninghoff] I highly praise ABRI for its patience and persuasive efforts. This makes me happy because ABRI obviously does not want bloodshed. ABRI is continuing to adopt its persuasive approach, but the OPM [Free Papua Movement] abductors have not contacted us. This means that the persuasive approach is no longer valid due to the absence of contacts. Therefore, ABRI has no other option but to launch a military operation. However, this will be an unfortunate course of action because it will involve the hostages' lives. Of course, persuasive measures are better and safer.

[Kwadisena] After studying the OPM behavior and objectives in the hostage-taking drama, the Jayapura bishop and other churchmen believe that the abduction is based on purely political reasons. They agreed that the KOMNAS HAM [National Commission on Human Rights] should be given a chance to play a role as mediator in the talks with the abductors, even though this move is also likely to fail. The 13 hostages includes four Cambridge University students, two Netherland nationals, and seven Indonesian nationals.

Meanwhile, KOMNAS HAM deputy chief Marzuki Darusman willingly volunteered to act as a mediator in the talks with the abductors. This is in line with a letter sent to him by the abductors last week, which called on ABRI to allow KOMNAS HAM to act as mediator. Marzuki Darusman, who is also chairman of the Amungme team that recently investigated human rights violations in Timika, said the commission's work

is not yet complete. He said the commission even plans to hold talks with ABRI Commander General Feisal Tanjung to discuss the matter this afternoon.

Expressing the same views as the Jayapura bishop—Abu Hasan Zazili, vice chairman of parliament's Commission I [Roman one, in charge of defense and foreign affairs] said the hostage-taking incident must not be allowed to last for a long time because it may have a negative impact on the hostages' health and safety. Abu Hasan Zazili said a military operation is absolutely necessary to save the hostages, who include six foreigners. He added that as soon as the drama is over, the government must pay more attention to the development program in the province for the benefit of the people.

Yap Salossa, an Irian Jaya community leader, also expressed his support for a military operation, saying that it is now time for the government to launch a military operation to free the hostages in Mapenduma. He expressed confidence that all Irian Jaya people will support such a military operation because GPK's activities have turned into criminal actions, affecting the interests of the Irian Jaya local government and people. [end recording]

Indonesia: Minister Habibie Says Nuclear Energy Last Choice

*BK3101133596 Jakarta KOMPAS in Indonesian
31 Jan 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Speaking at a working meeting with members of the Parliamentary Commission X [Roman numeral 10] on Tuesday, 30 January, B.J. Habibie, minister of state for research and technology, has reiterated the recent statement by Jali Ahimsa, director general of the National Atomic Energy Agency (BATAN), that the construction of a nuclear power plant in the Muria Peninsula, Central Java, will start in 1998. The plant is expected to be operational in the year 2003.

Sarwono, minister of state for environment, told journalists on Monday, however, that it was still too premature to say that a nuclear power plant will be constructed in Muria in 1998.

According to Sarwono, analysis has not yet been done on the environmental impact that would be caused by the Muria nuclear power plant project. [passage omitted]

Last Priority

The Parliamentary Commission X members are paying special attention to the nuclear power plant project. In

addition to recalling the risk of having a nuclear power plant, the commission has also called on the government to search for an alternative means to supply the demand for electricity before approving the project. "The nuclear power plant is Indonesia's last priority in the efforts to meet the demand for electricity. We are always haunted by the figure of a 7,000-megawatt electric power required for industrial development. Other technology cannot supply our demand for energy," Habibie said.

Habibie has said that Indonesia's problem now is to provide job opportunities for its population. The problem can be overcome through the industrialization process.

"Industrialization requires electricity. We are not able to supply electricity without utilizing nuclear power. This is the reason it should not be misunderstood. It is not because we are adamant to use nuclear power, but we are being realistic," he said. [passage omitted]

Indonesian Religion Minister on East Timor Politics, Religion

96SE0005C Jakarta KOMPAS in Indonesian
20 Oct 95 p 4

[Text] Jakarta, KOMPAS—Minister of Religion Tarmizi Taher has stated that disturbances to the harmony of life among religious communities which have taken place in East Timor recently were caused by certain political groups. The disturbances took the form of rumors concerning so-called religious issues, such as Islamization or Catholicization.

This statement was made by Minister of Religion Tarmizi Taher in answering questions from reporters after attending the installation in office of six high court judges on 19 October at the Supreme Court Building in Jakarta.

According to Minister Tarmizi, what has always and often happened in East Timor is the emergence of certain political groups which have always misrepresented the facts and turned rumors into major issues to disturb the harmony of life among the religious communities.

Tarmizi said: "We see that correct and true conditions are misrepresented. What misrepresents them? Politics! Therefore, disturbances to harmony in the life of religious communities in East Timor are always caused by political groups. That is the conclusion which we obtained when we met with the religious groups."

Not in Accordance With the Facts

Tarmizi said that the issue which is often mentioned is a matter like Catholicization and Islamization. The

facts are that this is not really an issue. He said that for the construction of religious buildings, for example, people still consider the balance and ratio of the various religious groups. For example, 90 percent of the funds for the construction of religious buildings are earmarked for the construction of [Christian] churches, while the remaining funds are allocated for the construction of religious buildings for the Islamic, Hindu, and Buddhist communities.

In East Timor, according to Tarmizi, in fact a liaison group for the religious communities has been established on which a leader of each of the religious groups will be represented. This body will try to conduct a dialogue and develop awareness of the importance of harmonious life between the various religious communities.

To deal with a number of issues which affect harmonious life between the various religious groups, Minister of Religion Tarmizi has given the religious council in East Timor the task of working hard and seriously to handle them.

In connection with the effort to build a harmonious religious life and to deal with various issues which have been brought up by political groups, in the near future the minister of religion will visit the Vatican. During this visit he will be accompanied by religious leaders from all religious groups in Indonesia, all chairmen of Parliamentary fractions, as well as representatives of the ulama [Muslim religious scholars] in East Timor.

Meanwhile, on 8 November the minister of religion will also make a speech at Harvard University in the United States. The theme which he has been asked to cover is the phenomenon of Indonesian Islam in a plural society.

Laos

Laos: Deng Xiaoping's Sister To Invest \$300 Million in Projects

BK3101044696 Bangkok ASIA TIMES in English
30 Jan 96 pp 1, 2

[Report by Indochina Information Center, Bangkok]

[FBIS Transcribed Text] Chong Li Beijing, a company headed by a close relation of Chinese supreme leader Deng Xiaoping, is due to invest more than 2,500 million renminbi (US\$300 million) in agricultural and industrial projects in the northern Lao province of Luang Namtha.

"A memorandum of understanding was signed with the Lao government in November last year by the president of the company, Deng Xienfu, a younger sister of Deng Xiaoping," said Kouan Keomani, the governor of Luang

Namtha province. "Final approval is expected soon." Deng Xienfu is said to have been a member of the Communist Party of China since before the revolution in 1949 and still supports party activities in China's Sichuan province, from where the Deng family hails.

According to Kouan Keomani, Chong Li Beijing proposed to lease more than 50,000 hectares from the Lao government in Meuang Sing district for 70 years.

"Ms Deng has been in Namtha twice to see the site. The government of Laos is now negotiating with the company on details of the project, such as the rent for the land, tax and profit sharing," Kouane said.

Among its agricultural projects, the company plans to operate sugar cane, rubber and other commercial plantations, and establish dairy farms. Industrial projects planned include a sugar refinery, food processing plants, canning units and a textile factory. The total investment of Rmb2,500 million, to be provided entirely by Chong Li Beijing, would be spread over a 10-year period.

The projects are part of a larger attempt by both mainland China and Laos to develop the area, close to the Myanmar [Burma] border, into a high growth economic zone.

The Joint Economic Quadrangle Corporation (JEQC), a Thai-Lao joint venture company, is already studying construction designs for a 250-km highway linking Thailand, Laos and China. The highway, which will start from Thailand's Chiang Rai province, will pass through Luang Namtha and then on to Yunnan. JEQC has registered capital of 100 million baht (US\$4 million) and is 60 percent owned by Thailand's Usa group with the remainder held by the Lao government.

Lao Foreign Minister Ends Official Visit to Thailand

BK3101143296 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 31 Jan 96

[FBIS Translated Text] After ending a four-day official, friendly visit to the Kingdom of Thailand, Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic, and his delegation returned home on the evening of 30 January.

During the visit, Minister Somsavat Lengsavat was granted an audience with His Majesty King Phumiphon Adunyadet. He informed His Majesty the King of the progress achieved in implementing the Houai Son and Houai Soua agricultural development projects, which are under the royal patronage. Somsavat Lengsavat also paid a courtesy call on Prime Minister Banhan Sinlapacha. In the meeting, he requested that the Thai side take into consideration the Lao problem concerning the

transit of goods to third countries. He also proposed the setting up of the Mekong Secretariat Office in Vientiane. The Thai side has agreed to this proposal.

The Lao foreign affairs minister also held a meeting with M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi, foreign affairs minister of the Kingdom of Thailand. In the meeting, the Lao side asked the Thai side to set up its consulate at an early date. Regarding this, the Lao side also proposed that it be allowed to set up its consulate in Khon Kaen Province. Following the meeting, the Thai side has also agreed to allow the Lao side to make use of Laem Chabang deep-sea port. As for the Thai consulate, it will be set up in Savannakhet Province. The two sides also held consultations on an accelerated, effective implementation of the memorandum signed between the Lao-Thai and Thai-Lao cooperation commissions following their meeting in November 1995.

Receiving Foreign Affairs Minister Somsavat Lengsavat and his delegation upon their arrival at the Wattai Airport were Souban Salitthilat, deputy minister of foreign affairs, and representatives of the Thai Embassy in Laos, along with many high-ranking cadres.

Philippines

Philippines Officials: Navy Fought Against Pirates, Not PRC

BK3101015996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 30 Jan 96

[Italicized passages in English]

[FBIS Translated Text] Navy Vice Admiral Pio Carranza has confirmed that the Philippine Navy was involved in a skirmish off the Capones Islands in Zambales with two Chinese pirate ships. Carranza ruled out that the two ships were owned by the Chinese military. He added that it is possible that the two ships were owned by Chinese militia which has nothing to do with the Chinese military.

[Begin recording] [Unidentified correspondent] Sir, based on your findings, those [ships] were Chinese?

[Carranza] Well, the *evaluation* is that *most likely*, they are Chinese *but not Chinese Navy*.

[Unidentified correspondent] So, Chinese pirates or?

[Carranza] Yes, these are pirates.

[Unidentified correspondent] ...but they are Chinese?

[Carranza] *Most likely*, because it matches with our records. [end recording]

Defense Secretary Renato De Villa confirmed that the two ships were indeed owned by the pirates. However, he cannot say whether they were owned by Filipinos or by the Chinese.

[Begin De Villa recording, in English] Our prime suspect here is really pirates, who have been operating off Zambales against vessels coming out of Subic bound for the north. [end recording]

The AFP [Armed Forces of the Philippines] joint report published last week referred to the skirmish between the Philippine Navy and two ships which had Chinese characters. According to the report, the Philippine Navy patrol ship has to return after its fuel was exhausted.

Philippines: LTTE Said Using Manila for Fund-Raising Operations

BK0102120196 Hong Kong AFP in English 1019 GMT 1 Feb 96

[FBIS Transcribed Text] MANILA, Feb 1 (AFP) — Tamil rebels fighting a separatist war in Sri Lanka are using the Philippines as a base to raise funds for their campaign, a Filipino military intelligence source said Thursday.

The source, who asked not to be identified, said army intelligence agents uncovered the illegal fundraising scheme when nine members of the Liberation Tigers of Tamil Eelam (LTTE) were arrested in the Philippine capital last May.

He said the nine, who were later deported, were suspected of selling fake visas and passports as well as counterfeiting US dollars to raise funds for their struggle for a separate state in that South Asian country.

The source said intelligence operatives are monitoring the movement of certain Sri Lankan nationals in the country to learn more about their activities, but said they posed no threat to Philippine security.

The information about the LTTE was reportedly part of a 14-page paper presented by armed forces intelligence to legislators during a briefing earlier this week. The paper was prepared in support of an anti-terrorist bill under consideration here, which critics said would curtail civil liberties.

At least 72 people were killed and thousands were wounded when suspected Tamil rebels staged a suicide bombing attack in Sri Lanka's capital Colombo on Wednesday. More than 50,000 people have died in the 23-year-old separatist struggle.

PHILIPPINES: Ramos Welcomes End of French Nuclear Test

BK0102075096 Quezon City Radio Filipinas in English 0230 GMT 1 Feb 96

[FBIS Transcribed Text] (?Philippine) President Ramos had welcomed the French Government's announcement that it had concluded its nuclear tests but insisted that the tests were unnecessary. President Ramos said in his regular weekly conference in Malacanang yesterday, and we quote, we continue to deplore this unfortunate and [words indistinct] series of tests that took place since last year. Our position, he added, that as always been with the tests need not have taken place at all, end of quote. [sentence as heard]

Philippines: Nicaragua Ties Not Affected by 'Hostage' Incident

BK0102102096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 31 Jan 96

[FBIS Translated Text] The Philippine ambassador to Mexico, Clemencia Montessa, is now safe, together with the Pakistani ambassador, after both were held hostage in the Foreign Ministry building by several protesting Nicaraguan students who forced their way into the building. The students were demanding additional funds for their schools. Montessa was in the Foreign Ministry building to present her credentials as Philippine non-resident ambassador. She is assigned to the Philippine Embassy in Mexico. They were freed unhurt by the hostage takers.

Meanwhile, Foreign Affairs Secretary Domingo Siazon said that the incident will not affect relations between the Philippines and Managua. Siazon added that he is not sure whether the Nicaraguan Government paid any ransom for the freedom and safety of Montessa.

[Begin recording] [Siazon, in English] According to the Nicaraguan Embassy in Tokyo, all the hostages were released forty- five minutes ago. So, that is good news. I can have an enjoyable lunch today.

[Unidentified correspondent] [inaudible]

[Siazon] We do not know that. I only know that my man is safe. [end recording]

Philippines Air Force Personnel Deployed To Counter Terrorism

BK2601051896 Manila BUSINESS WORLD in English 26 Jan 96

[Unattribute report — received via Internet]

[FBIS Transcribed Text] Two hundred soldiers of the Philippine Air Force (PAF) will be deployed nationwide

to help counter local and foreign terrorists, PAF Chief Lt. Gen. Arnulfo Acedera said. "Terrorism can happen anywhere. There is a need for preemptive move than wait for this to happen," Mr. Acedera said. He said the Air Force officers will begin training for counter-terrorism tactics this week.

The training of soldiers, dubbed as "Outer Urban Terrorism Operations Course," is part of the preparation for any terroristic activities during the Asia Pacific Economic Conference (APEC) summit.

At the same time, retired General Lisandro Abadia, chief of security for the APEC, said he will meet with the leaders of the Armed Forces of the Philippines, Philippine National Police and the National Bureau of Investigation to assess the APEC security. He said the meeting is intended to assess intelligence information in connection to the threat posted by foreign terrorist groups to foreign government officials attending the summit.

PHILIPPINES: Antiterrorism Bill Refers Only to Foreigners

BK2401023996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 23 Jan 96

[FBIS Translated Text] Even before its passage, the anti-terrorism bill of Paranaque Congressman Roilo Golez has already undergone amendments. Based on the new Golez bill, the locally-based terrorists are removed from the definition of terrorists. Instead, only international terrorists are referred to in the bill, thus it is known as the Anti-International Terrorism Bill. Even so, those opposed to Golez's bill are not satisfied. According to Sorsogon Congressman Bonifacio Gillego, controversial provisions, such as warrantless arrests, remain.

[Begin Gillego recording in progress, in English] ...after we studied, do not operate alone or singly when they come to a place where they have certain missions to accomplish, then naturally would involve the local residents or inhabitants of the place, and therefore, invariably, many of our local residents, Filipinos, will be involved. [end recording]

Philippines: Ople: Martial Law Disguised as Antiterrorism Bill

BK2401021996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 23 Jan 96

[FBIS Translated Text] Senator [Blas] Ople has accused President Ramos of planning to declare martial law through bills disguised to suppress terrorism and criminality. Ople made this accusation during a speech at West Visayas State University in Iloilo where he was invited to speak at its 10th anniversary celebration.

Ople added that President Ramos wants to push for the continuation of the unfinished National Internal Security Act initiated by former President Ferdinand Marcos. According to Ople, the Internal Security Act contains provisions for the detention of individuals who oppose the government despite lack of charges.

Philippines Military, Police: No Support for Martial Law

BK2401021896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 23 Jan 96

[FBIS Translated Text] AFP [Armed Forces of the Philippines] Chief Arturo Enrile has confirmed that the military has no plans to support the re-imposition of martial law. However, he refused to talk about issues of wire tapping, warrantless arrests, and the investigation of bank accounts of suspects; he insisted, however, that the government should not interfere with the privacy of the people.

[Begin Enrile recording, in English] I said earlier that as chief of staff of the Armed Forces of the Philippines, I will not support any system that will curtail the freedom and liberty of our people. And therefore, martial law, if imposed will not be supported by the leadership of the Armed Forces of the Philippines. [end recording]

Meanwhile, the PNP [Philippine National Police] chief expressed support for Enrile's statements. According to Sarmiento, the PNP will not allow martial law to be declared again; but if it is indeed declared, they will be the first to oppose it.

Philippines Editorial on Fighting Terrorism With 'Existing Laws'

BK2501141496 Manila PHILIPPINE DAILY INQUIRER in English 23 Jan 96 p 8

[Editorial: "Enough Laws"]

[FBIS Transcribed Text] What if the threat of terrorism is real? The law enforcers have enough laws to use in their campaign against terrorism. They were able to capture terrorists who were planning to assassinate the Pope during his visit to Manila last year. They didn't need special powers to do that. Of course, luck played a part in their discovery and arrest. But hard work and determination also paid off. Intelligence and competence count a lot in dealing with terrorists.

What is needed is not more laws but more training. Many countries have antiterrorist agencies like the Navy Seals of the United States, the SAS [Special Air Service] of Great Britain and the GSG-9 [Border Protection Group] of Germany. Surely we can hire their experts to train our police in the science of catching terrorists?

And now that Congress has resumed its session, it could pass laws that would (1) provide for the early optional retirement of aging policemen so that they could be replaced by younger, more idealistic recruits, (2) increase their salaries so that better educated and better motivated people would constitute the force and change its tarnished image, (3) provide more funds for training in crime-fighting skills, and (4) provide bigger outlays for sophisticated weapons, laboratory equipment, and communication and transportation facilities to fight criminals in general and terrorists in particular.

If there is indeed a terrorist threat, then let's fight it using existing laws, and with an intelligent, competent, highly motivated force that has the latest in weaponry and equipment at its disposal.

Philippines Police Rule Out Muslim Rebel, Abu Sayyaf Tie-Up

*BK3101062396 Manila BUSINESS WORLD
in English 31 Jan 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The breakaway Moro Islamic Liberation Front [MILF] has dropped plans to unite with the extremist group Abu Sayyaf, the Philippine National Police yesterday said.

In an interview, Chief Superintendent Reynaldo Velasco, Autonomous Region for Muslim Mindanao [ARMM] police director, said political and cultural differences kept the groups from uniting, a possibility that the military and the police intelligence have been watching for since last year. "The reports we got was that the MILF had not accepted them (the Abu Sayyaf) into their organization," Mr. Velasco said.

Recent police and military assessments said the MILF, headed by Hashim Salamat, has become the number-one-threat group in Mindanao, followed closely by the Abu Sayyaf headed by Ustadz Abubakar Abddurajak Janjalani. The ARMM police chief said the unification did not materialize because "they have conflicting views and these made it impossible for them to merge into one group."

Philippines: Muslim Rebels Place Six Towns Under Islamic Government

*BK2501041496 Quezon City MALAYA in English
22 Jan 96 p 2*

[Report by Al Jacinto]

[FBIS Transcribed Text] Zamboanga City — At least six towns in three Central Mindanao provinces have been occupied by the Moro Islamic Liberation Front

and declared to be under the "Bangsamoro Islamic" government, military intelligence reports said.

The rebels seized since last week the Muslim-dominated towns of Muti, Kapatagan, Bouldon, Matanog, Malabang and Barira and raised Moro flags, streamers with Arabic characters and placed several checkpoints manned by Mujahideen fighters (holy warriors) armed with anti-tank weapons and Kalashnikov rifles.

Military authorities deployed 500 soldiers from the 75th Infantry Battalion late last week to reinforce three other battalions scattered in hot spots which include the site of the P [pesos] 1.7- billion government irrigation project in Carmen, North Cotabato. The rebels have claimed the irrigation site as their ancestral land.

The 6th Infantry Division based in Awang has placed tanks and mechanized armors including mortars and cannons in Maguindanao.

Philippines: MILF Denies Setting Up Islamic State in Mindanao

*BK2501090796 Quezon City Radio Filipinas
in English 0230 GMT 25 Jan 96*

[FBIS Transcribed Text] Rebel and government leaders have brushed aside the [passage indistinct] containing the reported setting up of an independent state by the Moro Islamic Liberation Front [MILF] in six towns bordering Maguindanao and Lanao del Sur provinces. (Gatsali Ga-afar), MILF political affairs chief, said the issue could have been unduly (?bloated) by some sectors to derail their faction's revolutionary stature. (Gaafar) is apparently referring to recent reports that the MILF has established an independent state covering Malabang, Muti and Kapatagan in Lanao del Sur and Maguindanao's hinterland towns of Barira, Matanog and Bouldon.

Philippines: Grand Air Designated as 2d International Carrier

*BK2601045996 Quezon City Radio Filipinas
in English 0230 GMT 26 Jan 96*

[FBIS Transcribed Text] The Philippine Government has designated Grand International Airways as the country's second international carrier. Grand Air's appointment comes one year after President Fidel Ramos issued an order liberalizing the airline industry to improve air service in the country and expand trade and investment. The order was aimed at breaking up the monopoly of Philippine Airlines [PAL] Incorporated, the only Philippine carrier flying international route. The Ramos order provides that at least two airline companies can be designated international carriers.

Transportation and Communication Secretary Jesus Garcia said Grand Air's new designation does not automatically make it a flag carrier like PAL. Flag carrier status requires a congressional franchise which allows a company to exhibit a Philippine flag and enjoy tax privileges. Grand Air started commercial operations last year serving the domestic routes of Manila, Cebu and Davao initially. Its owners are former PAL Executive Dante Santos, Leslie Espino, and hotelier Rebecca Panlilio.

Philippines: New Agriculture Secretary Assumes Post

BK0102124996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 31 Jan 96

[FBIS Translated Text] Outgoing Agriculture Secretary Roberto Sebastian has formally transferred leadership of the Department of Agriculture to Salvador Escudero. Secretary Escudero vowed to continue the programs and policies started by his predecessor. Escudero admitted that the agricultural sector is currently in crisis; thus, he called on the employees in the department to work effectively to speed up their progress.

[Begin Escudero recording in progress] ...because of its importance to agriculture — not that when there is a new secretary, existing programs will be terminated and new ones launched. What is most important, as I have said in my short speech, is that it is to be hoped that all other sectors involved will help, because the agricultural sector relies on many departments. However hardworking our employees are, if support from other government agencies, NGOs [Nongovernment Organizations], farmers, and consumers is inadequate, we will not be very successful in the implementation of our programs. [end recording]

Thailand

Thai Government Backs Permanent Asia-Europe Forum

BK3101054696 Bangkok THE NATION in English 31 Jan 96 p B1

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Thailand will support a proposal to create a regular dialogue channel between Asia and Europe to discuss economic matters at a meeting to be convened every two years, according to Deputy Prime Minister Amnuai Wirawan.

Amnuai said yesterday after a special Government House meeting on the Asia-Europe Meeting [ASEM], chaired by Prime Minister Banhan Sinlapa-acha, that Thailand agreed with the proposal to create a regular

meeting but added that the name of the forum has yet to be finalized.

The next meeting will be held in the United Kingdom around 1998 and South Korea has proposed itself as the next host in 2000.

Earlier, a German senator said that Germany would propose that the ASEM meeting be called the "Europe-Asia Economic Cooperation [EAEC]" forum in future, with the intention of adopting the acronym EAEC.

Amnuai said yesterday that, "The name does not matter, whatever it is." But he noted that the actual name has not yet been agreed to by both sides.

In addition, the first meeting between leaders from Asia and Europe should be followed by a forum for the private sector, or the Asia-Europe Business Forum. The European Union has already held a business forum with the United States and the forum for the EU and Asian private sectors would thus create the missing link.

Bangkok would host the first meeting of Asian and European leaders from Mar 1-2. The forum was initiated by Singaporean Prime Minister Goh Chok Tong in October, 1994.

Finance Minister Surakiat Sathianthai said that the agenda for the first summit meeting would consist of four parts. Firstly, the political agenda including peace and stability in the region, arms control, nuclear treaty and the restructuring of the United Nations.

Secondly, the leaders would discuss economic cooperation, especially to strengthen the multilateral trade system of the World Trade Organization, technology transfers and the promotion of trade and investment flows between the two regions.

Thirdly, they would discuss personnel development, infrastructure development, poverty problems, cross-border crime, drug trafficking, environmental protection and cultural cooperation.

Lastly, they would discuss the future role of ASEAN and further Asia-Europe Cooperation.

Surakiat said he would propose that the ASEM meeting create a forum for the economic and finance ministers. At the same time, trade ministers from both regions are also pushing forward trade and investment promotions.

Surakiat said he has discussed with economic ministers from the EU and Asia the possibility of holding separate meetings during the ASEM meeting.

Thailand: German, Swedish Firms Compete in Submarine Deal

BK3101092996 Bangkok BANGKOK POST in English 31 Jan 96 p 1, 3

[Unattributed report]

[FBIS Transcribed Text] The German consortium bidding for the 17-billion-baht order for two submarines is prepared to give the Royal Thai Navy a third as a training vessel.

The offer has been seen as an attempt to counter a rival firm's efforts to torpedo the German bid for the order for conventional submarines.

The German delegation, which is in Bangkok, has denied its trip was timed to coincide with that of Sweden's Defence Minister Thage Peterson.

Mr Peterson arrives today for talks with Defence Minister Chawalit Yongchaiyut and Navy Commander Admiral Prachet Siridet. Per Johnsson, president of Kockums Submarine Systems AB of Sweden, is reported to be in Bangkok.

Members of the German Submarine Consortium arrived earlier this week to counter claims by Kockums that their Type 209 vessel was 20 years out of date.

Hans Saeger, director of Howaldtswerke Deutsche Werft AG, a partner in the consortium with Ferrostaal AG and Thyssen Nordseewerke was critical of the claim.

"Never before have we seen the need to go public with the facts about our product," he said. "Arms procurement deals elsewhere in the world are private and sensitive matters."

Mr Saeger, a retired naval officer, said the claim the Type 209 could not stay submerged as long as Kockums' Gotland A-19 was another technical distortion. He said the energy content in deep water operations was 22 kilowatt hours for the Gotland A-19 compared to 33 kilowatt hours for the Type 209.

He said his agent in Bangkok had sent him press clippings quoting a spokesperson for a rival shipbuilder as saying the Type 209 was obsolete and the design of the pressure hull had not changed in 20 years.

"We cannot understand how another submarine builder can make such an allegation. They know we have not seen the need to change the design of the hull but all the interior workings and components are new state-of-the-art technology. They know this," he said.

The German submarine and conditions of sale could match that of any rival, he said, and the consortium was prepared to give away a Type 206 for training purposes.

"We are prepared to offer a free used submarine, probably a 206 from the German navy, but such are the technological differences the crew trained on the 206 would have to be retrained to operate the sophisticated 209."

The German package covers the sale of two 209s under an offset agreement and payment partly in countertrade. Mr Saeger said the 209 comes in several different models and the consortium was interested in selling Thailand the 209 1200 or 209 AIP.

Mr Saeger expected the Cabinet to approve an order by June but the navy has yet to tell any of the contenders the result of its assessments.

Earlier, navy sources said GSC and Kockums were two strong competitors.

Mr Saeger said the 209 had a far superior air-independent propulsion system than the Kockums vessel. The system would preclude the need for frequent snorkeling and may enable a vessel to remain at depth for up to a month.

"The AIP Stirling engine of Kockums is used in Swedish boats only. The planned installation of the Sterling AIP system in the Australian Collins class submarines has been cancelled," he said.

"But the newly developed air independent propulsion system for the German navy uses future orientated fuel cell technology, which will also be available in the car industry very soon. The fuel cell has also been selected by Italy for its new submarines."

A senior naval officer said among four AIP systems offered for conventional submarines today, the fuel cell was considered among the best in technological terms and was quieter than the AIP system using the Stirling engine.

However, he said the German fuel cell was still on paper and had not been installed in any commissioned subs while Kockums' A-19 was the only commissioned sub using AIP with the Stirling engine.

During the past 40 years more than 100 boats of German design have been built and exported to NATO countries, South America, Israel and Asia including Indonesia, India and South Korea.

Submarines have been built in Germany since 1905, more than 1,500 in the last two world wars.

Meanwhile former defence minister Wichit Sukmak yesterday reiterated calls for the navy not to let the bribery scandal affect its chances of buying good submarines. He said the navy should put national security interests above anything else.

Thailand: Banhan Receives Lao Minister, PRC Governor

BK3001131996 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 29 Jan 96

[FBIS Translated Text] Lao Foreign Affairs Minister Somsavat Lengsavat paid a courtesy call on Prime Minister Banhan Sinlapa-acha at Government House today. Reporting on the meeting, Foreign Minister M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi said both sides agreed on strengthening bilateral cooperation, especially the extension of the communications network and the construction of the second Thai-Lao friendship bridge in Mukdahan Province. Regarding the border dispute over Ban Rom Klao in Phitsanulok, M.R. Kasemsamoson believed both countries would be able to reach an understanding.

Earlier in the day, Mr. Lei Yu, deputy governor of the Zhuang autonomous region, paid a call on the prime minister. China urged Thai businessmen to invest in Qinghai, which is rich in natural resources. The Thai prime minister noted a rapid change in China and said that China's open policy on trade and investment has been successfully implemented.

Thailand: Lao Official Visits Port, Leaves for Home

BK3101091296 Bangkok BANGKOK POST in English 31 Jan 96 p 6

[Unattributed report]

[FBIS Transcribed Text] Laos yesterday expressed interest in using Laem Chabang deep-sea port as an alternative access to the sea.

Thai Ambassador to Laos Somphan Kokilanon said Laotian Foreign Minister Somsavat Lengsavat was interested in renting depots for goods and oil storage at the port in Chon Buri.

Mr Somsavat went to the port yesterday before returning to Vientiane to end his four-day visit to Thailand.

Laos currently uses Khlong Toei port in Bangkok for its border transit goods and Thailand has suggested it use Laem Chabang as an alternative.

The two countries are in the process of setting up consulates in their respective countries but need approval from the Cabinet on areas which the consulates will cover.

The ambassador said the Cabinet will approve the areas covered by the Lao Consulate in Khon Kaen next month and assured that the Thai Consulate in Savannakhet will be reopened this year following its closure in 1975.

The Lao office will cover all provinces in northeastern Thailand, while the Thai Consulate will be responsible for six Laotian provinces in the central and southern regions

Thailand is still looking for a suitable location and is seeking its old office which is currently the Savannakhet Provincial Hall, said Mr Somphan.

The Laotian minister called on Prime Minister Banhan Sinlapa-acha on Monday during which the disputed Ban Rom Klao village was raised for discussion.

Mr Banhan assured the minister that the territorial dispute can be resolved, the director-general of the East Asia Department, Suwit Simasakun, quoted the premier as saying.

The Laotian minister said before departing for Vientiane that the two countries will discuss how to demarcate their common frontier during the next meeting of the Joint Boundary Committee which for the first time their foreign ministers will chair.

Laos insists on demarcating Ban Rom Klao first before moving on to other spots but Thailand prefers discussing every spot at the same time in order to be able to demarcate undisputed areas first

Asked whether Laos will change its position, Mr Somsavat said: "This matter will be discussed at the next meeting."

Thailand: Chawalit Suggests More Troops to Burmese Border

BK3001110796 Bangkok THE NATION in English 30 Jan 96 pp A1, A2

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Gen Chawalit Yongchaiyut has expressed concern over "the constantly-changing situation" along the Thai-Burmese border and has suggested that troops from the central command should be deployed there.

He said he was discussing the situation with Army Chief Gen Pramon Phalasin and that the likely deployment did not mean that Thailand was preparing for war, but was ensuring peace and stability.

The presence of the troops was also important to build up the confidence, morale and spirit of the people living in those areas, he said.

He expressed concern, however, that the condition on the border remained confusing.

"We have kept our lines of communication open at all levels. Earlier (fighting) might have had some effect on Thais living in the area but the military operation has already stopped.

"However, the condition remains very confusing because the situation is constantly changing all the time. We have already sent reinforcements (to strengthen the frontier)," he said.

Foreign Minister Kasemsamson Kasemsi said yesterday he supported Chawalit's initiative to send reinforcements to the border, adding that it was Thailand's right to do so.

But he warned that any action taken should be done carefully because Burma is a neighbour.

He said it was normal for countries that shared common borders to have minor conflicts, such as stray shells occasionally landing on Thai soil, and such incidents had to be dealt with carefully. The usual response was to fire back warning shots, he said.

The peace agreement between drug warlord Khun Sa and the Burmese junta is said to have drastically altered the situation on the border.

Meanwhile, in Mae Sot, security officers were saying little about a weekend dawn raid that ended in the kidnapping of six Karen refugees from a village in the northern district of Tak.

Karen refugees said about 50 armed members of the Democratic Karen Buddhist Army (DKBA) sneaked across the Moei River around 4 am on Saturday from their Kawmura base into the village near Doi Din Ki and kidnapped five former soldiers of the Karen National Union (KNU) and a 12-year-old boy during the 30-minute incursion.

It was the first time the DKBA had entered the Mae Sot area. It had previously raided Karen refugee camps in Tak's Tha Son Yang district north of Mae Sot.

Thai officers tried to avoid questions about the incident, but admitted they were surprised that the DKBA dared enter the area surrounding Mae Sot as Army and border police units are based there.

There were no Thai troops near where the incident took place.

The sources said Pee Da, 46, and the boy, Naw Dee, were released on Sunday while the rest were still being detained at Kawmura, the former base of the KNU 101st army, which was captured last year by the Burmese and later handed over to the DKBA.

The sources identified the four other refugees who were kidnapped as First Lt Htaw Hla He, 60, Srg Maj Maung May, 45, and Kyaw Heu, 47, former chief of fallen KNU Wang Kha camp, and Bo, 47.

The DKBA had forced all those who remained to take an oath that they would remain neutral and not side with the KNU otherwise they would be prosecuted.

The sources added that they did not know the actual fate of those still being held, but there were suggestions some had been killed.

The DKBA commander at Kawmura, Capt Kyaw Thet, had earlier said that he would send more forces across the border to uncover hidden KNU weapons and capture its leaders still on Thai soil.

Thai Army Chief on Deployment of Troops to Burmese Border

BK3001133396 Bangkok Radio Thailand Network in Thai 1200 GMT 30 Jan 96

[FBIS Translated Text] Speaking with newsmen concerning Defense Minister General Chawalit Yongchaiyut's policy of reinforcing soldiers near the Burmese border with troops from the central region, Army Commander General Pramon Phalasin said such a troop relocation is in keeping with a previously approved routine plan to reduce the size of forces in the central region. This reduction plan, coupled with an appeal for assistance from the local people along the border, prompted the decision to deploy some of the troops to the Mae Sariang District proper in order to boost the morale of the local population. The newly deployed troops will be organized as development teams that will routinely oversee the border area. The purpose of the deployment is not to engage in armed activities or confrontation.

Asked about the impact of the clashes between Kayah ethnic armed units and Burmese troops, Gen. Pramon said precautions have been taken to prevent any negative impact on the Thai population from stray shells and the influx of refugees. In fact, clashes inside Burma have taken place a long way from the Thai border; therefore, the chance of stray shells landing on Thai territory is slim. The main problem is the flight to Thailand by Burmese people. These people will be given humanitarian assistance as appropriate.

Thai Policy Toward Neighbors Criticized

BK3001144296 Bangkok ATHIT in Thai
19-25 Jan 96 pp 25-28

[Article by "Staff Reporters": "Burmese Border Is Free From Ethnic Rebels"]

[FBIS Translated Text] After the surrender of "Khun Sa," the Burmese Government now has only three small enemies left to conquer:

1. The Karens of the KNU [Karen National Union] group, whose command headquarters was seized by government troops in July 1995. KNU leader Bo Mya is expected to come to the negotiating table and surrender to the government soon.
2. The Shan group of Lieutenant Colonel Kanyod, who broke away from Khun Sa's MTA [Mong Tai Army] just before the latter's surrender to Rangoon. This group's numbers are very small. Khun Sa is likely to have the opportunity to act as mediator for Rangoon to persuade the defiant MTA remnants to surrender.
3. The Kayah or Karenni group, which earlier signed a cease-fire agreement with the Burmese Government. The truce accord was torn up by Burmese Government troops during their suppression drive against Khun Sa last year. The Kayah fought back. With the defeat of Khun Sa's army, the Kayah, greatly outnumbered by government troops, are likely to be forced to sign a new truce with Rangoon.

It is apparent that the battle between the Burmese Government and at least 10 minority groups that has been dragging on for over 40 years will end soon. If that happens, a new Burma will emerge in which the government is able to control every square inch of the country. When the time comes, the unsettled 120-year problem of the 2,401 km of ill-defined and confusing border between Thailand and Burma will bring the two countries into direct confrontation. Only 58.6 km of the common border has been recognized by the two countries. Without the presence of the minority troops along the common border, Thailand has virtually nothing it can use for "bargaining" in any border demarcation dialogue with Burma.

The Trump Card in Burma's Hand

After Khun Sa's defeat, the SLORC [State Law and Order Restoration Council] has not only gained full control of Shan State but has also got hold of Khun Sa, a highly valuable "trump card." Soon after learning that Khun Sa was in Burmese Government custody, the United States offered a 50 million baht reward for any information leading to his appearance in a U.S. court to face drug trafficking charges. This 50 million baht

might sound interesting to Karen, Burmese, and Shan who do not have much power left, but the Burmese Government, which has been suffering from all kinds of U.S. interference and pressure designed to encourage the establishment of a democratic form of government and respect for human rights, knows that Khun Sa is worth more than 50 million baht. He can be used as Burma's trump card in any diplomatic maneuver.

First, the Burmese Government can assign Khun Sa to persuade the remaining Shan rebels to defect to the SLORC. Khun Sa himself is willing to play this role to prove his importance so the Burmese Government will allow him to spend the rest of his life living off the fortune he has earned from the drug business. The Shan armed rebels, who now regard Khun Sa as a traitor, should know that their armed struggle over the past 40 years was only possible because of support from Khun Sa and the Chinese Haw. Otherwise, the Shan army would have been crushed by Burmese troops. Rangoon is determined to tame all the ethnic groups living along the Burmese-Thai border.

In addition to the rebellious remnants of the Mong Tai Army, Rangoon plans to use Khun Sa to monitor the movements of other ethnic groups, such as the Haw and Red Wa, who might attempt to fill the vacuum caused by the surrender of the MTA and start their own drug trafficking business. The Burmese Government is likely to use Khun Sa as an informant and have him draw up plans to prevent the minority groups from causing unrest. Moreover, Khun Sa's long experience can be useful in narcotics suppression, possibly with U.S. financial assistance.

Khun Sa is also a trump card for the Burmese regime to use to reduce U.S. pressure for the establishment of a democratic administrative system and respect for human rights. The end of the Shan ethnic group's rebellion has tremendously benefited the Rangoon government.

Thailand Has Plenty of Useless Cards in Its Hand

The message Thailand wants to convey to everyone following the defeat of Khun Sa's army is that Thailand has never given any support to the drug warlord. As a result, it will receive a gift box tied with red ribbon with nothing inside except air — not very clean air, either.

The Burmese troops have now moved from Doi Huai Ha to occupy the valley of Doi Lang, thus gaining an extra 30 square km. The advancement is a tantamount to drawing "a new demarcation line." Thailand can no longer claim sovereignty over Doi Huai Ha despite the royal message from King Rama V to the governor of "Loikaw" township, the capital of Kayah State, indicating that Thai territory ends at Doi Huai Ha. Thailand's

silence in connection with the seizure of the new area of 30 square km by Burmese troops means that Thailand has accepted the shrinkage of its territory from Doi Huai Ha to Doi Lang. If Thailand plans to reclaim the lost territory later, it also means that the Burmese troops have really "violated the country's territorial integrity" during the recent suppression operation against Khun Sa's army without being interrupted by Thai forces.

The Thai side has been consoling itself by thinking that Doi Huai Ha will eventually belong to Burma because the royal message is considered rather weak evidence compared with the map jointly drawn up with the British colonists in 1894, in which the Thai side mistook Doi Lang for Doi Huai Ha. Nothing has been done during the past 120 years to correct that mistake. The royal message will not have any validity if it is brought up during future border talks with Burma. This is a shameful excuse. The Thai military will not be happy with this conclusion because Doi Huai Ha is considered the most strategically significant point in the area.

For almost a decade, the Thai side has been proud of its "absolutely prudent" policies toward Burma, Laos, and Cambodia. It believes that Thailand's business "advancements" and economic growth under the free capitalist system are at least 30 years ahead of its neighbors. Thailand's foreign policy, therefore, emphasizes its "economic potential" rather than social and political values. Even in military relations, Thailand has been clinging to this principle in dealing with its Indochinese neighbors. Trade, technology, culture, economy, and business offensives always lead the political and military relations. During the dispute over the small area of Hill 491 in the vicinity of Kra Buri River, the Thai side thought it was smart to have proposed the withdrawal of troops of the two countries from the area pending further negotiations. The Thai side tends to believe that "economic interests" can be used to secure bargaining power, change attitudes, and create pressure on the less developed countries. Thailand assumes that purchasing all the electricity produced in Laos will lead to that country's dependence on Thailand and that signing the natural gas contract with Burma will bring about the latter's submission.

Thailand's policy toward its neighboring countries is well manifested by the extravagant reception organized for the leaders of Burma, Laos, and Cambodia during their visits here. The "capitalist" indulgence arranged for Cambodian leaders includes giving luxurious French perfumes to Khmer Rouge leader Ieng Sari, organizing lavish buying sprees for Hun Sen and his wife at big shopping centers, and giving all kinds of expensive presents to Prince Ranariddh. For Laos, former Prime Minister General Kriangsak Chamanan took the late

President Kaysone Phomviharn for a vacation at Hua Hin beach before initiating several development projects. It was believed that these would seduce the people in the communist nation to take Thailand as their model. Burmese leaders at different levels have received assortments of gifts including the pornographic Mekong Whiskey calendar. Even revered Buddhist monks have been used as goodwill ambassadors. Big projects have been drawn up for Burma with the idea that "money" will gradually turn the SLORC to capitalism; that it will eventually become a "compromising dictatorial regime" easily acceptable to all countries.

The card in Thailand's hand is nothing but "strong faith in the capitalist system, advancement, and the power of money and personal gain." For this reason, the Thai side is apt to "put down" any issues that could affect its economic interests now or in the future. This will soon prove to be a "useless card." Having thrown away all the good cards — the Mon, Karen, Kayah, and Shan — Thailand must now confront Burma directly.

What Burma Can Use for Bargaining

The demand by Burma that Thailand pay 3 billion baht in compensation for the Burmese fishermen who were killed in the sea off Ranong Province is rather "excessive" for the Thai side. Still, it is not easy for the Thai side to ask Burma to reduce the price to 30,000 baht by citing its nonsupportive policy toward Khun Sa, which has been demonstrated to the world.

Besides Burma, Thailand is also entangled in a heavy fishing dispute with Malaysia. The matter is so serious that our fishery director general sarcastically proposed shooting at Malaysian fishing trawlers in retaliation. Thailand also has fishing problems with Vietnam and Cambodia. The crux of the problem is that Thailand has never been able to "control its fishermen or fishing potential." Likewise, Thailand's "business potential" might look formidable in the eyes of business people, but Thailand cannot control it. It is like a weapon that cannot be controlled. It is nothing but a useless card.

In the present era, Burma is growing because of the constructive engagement policy. The policy is well-defined as "a policy formulated by Thailand to isolate itself incredibly." Burma has been fostering closer relations with Malaysia, a country that Thailand is having a tough time negotiating with on more and more issues. Burma has not shown any indication that it will reduce the 3 billion baht compensation. The Malaysian defense minister has not yet notified the Thai side when he will be ready for the Thai-Malaysian border meeting he postponed earlier on the grounds that he was occupied with other official functions.

Burma is accumulating more friends, including Malaysia, Singapore, Indonesia, and other countries. Its bargaining power is increasing. In dealing with the United States, Burma and China are apparently joining hands to create strength and bargaining power. All countries in ASEAN are adopting a similar attitude toward the United States. Thailand is the only country that has obediently bowed to U.S. pressure.

The New Bargaining

For 120 years, Thailand and Burma left the question of the demarcation line of their common border unsettled. In the negotiations that started in 1987, the two countries reached an agreement on the demarcation line for the border along the Sai and Ruak Rivers in Chiang Rai Province covering a distance of just 58.6 km. Unfortunately, the governor of Chiang Rai Province later complained about the disappearance of the border posts planted on the two banks of the rivers.

Burma proved to the Thai side the adverse consequences of the "greed" that derived from the "uncontrollable economic potential" during the negotiations to demarcate the 389 km of common border along the Moei River to Awe Stream. No agreement could be reached during the dialogue. The impasse was caused by an encroachment in the Moei River by some Thai businessmen who filled the river to block the waterway and claim the island in the middle of the river as Thai territory. Burma retaliated by ordering a halt to the construction of the friendship bridge and demanding the dismantling of shop houses built on the newly claimed land as well as the removal of the landfill. Of course, the Thai side complied with the Burmese demand out of fear that other huge business interests would be affected.

The other portions of the common border that the two countries have not yet ratified include 127 km along the Salween River, 632 km along the Tanaosi mountain range, 1,055 km from Hill 491 to the Kra Buri River, and 139 km from the Kra Buri River to the sea. Moreover, the three islands of Ko Khan, Ko Khinok, and Ko Lam could one day become the Spratly Islands of the Andaman Sea.

The Thai side keeps reaffirming that "there will be no war whatsoever. Everything must be settled through negotiations." No country wants war, including Burma. In negotiations, however, Burma always shows shrewdness in diplomatic maneuvering and bargaining tactics that are well-planned and organized at all levels, while Thailand clings tightly to its "trade and economic rope" fuelled by "greed and selfishness." Burma has succeeded to a certain extent in turning "the people living along the border" who were formerly branded as rebels into loyal citizens of the country. The Buddhist Karen group

is growing stronger. The Mon ethnic group has surrendered. The Shan are now good friends. Meanwhile, Thai people along the border are living in misery. Their income is declining. The security of their lives and property is not guaranteed. Thai fishing fleets are having problems with neighboring countries. Foreign workers are flooding the country and turning their Thai counterparts into an expensive labor force that is unaffordable for profit-oriented businesses.

It is true that Thailand is over 30 years ahead of the neighboring countries like Laos, Cambodia, and Burma. Yet "economic potential" should not be measured by skyscrapers, tainted glass buildings, or monorails and subway systems. These only indicate the strength of "the rich," who form only 20 percent of the country's total population. The rich are the ones who have been manipulating the country's policies toward its neighbors and earning a fortune by recklessly exploiting the country's natural resources and plundering the property of our neighbors. When the poor in Thailand have problems, the most they can do is stage rallies at Government House. The poor in Burma, Laos, and Cambodia can rely on their governments, which are getting stronger through collaboration with the rich in Thailand.

The time has come for Thailand to confront its neighboring countries face to face. While Burma demands as much as 3 billion baht in compensation for the lives of its fishermen, no families of Thai villagers killed along the border have received a cent from the Burmese Government. From now on, it will be rather difficult to "reactivate the sense of patriotism" among the Thai people because the policymakers have never shown any sense of patriotism themselves nor any love for their own compatriots. National defense means the defense of their "economic interests."

Thai soldiers were ordered to withdraw from Hill 491 and retreat during the advance of Burmese troops at Doi Lang. Such a foreign policy does not belong to Thailand or the Thai people. It belongs to people who only strive to secure huge personal gains.

Thailand: Breakaway Karens Kill Three in Border Incursion

*BK0102042496 Bangkok BANGKOK POST
in English 1 Feb 96 p 1*

[Unattributed report]

[FBIS Transcribed Text] Tha Song Yang, Tak — Three people, including a monk and a policeman, were killed when 100 soldiers of the renegade Democratic Karen Buddhist Army [DKBA] crossed the border and

attacked a Thai border checkpoint and a temple on Tuesday night.

The DKBA also robbed two Thai villages of over 100,000 baht in cash and valuables before retreating to Burma, border officials said.

The attack took place shortly before midnight when heavily-armed guerrillas encircled a border checkpoint at Mae Usu Village in Tha Song Yang District, between km 90-91 of the Tha Song Yang-Mae Sariang Highway.

The raiders assaulted the checkpoint with rocket-propelled grenades and machinegun fire prompting two Thai policemen to return fire.

During a brief gun battle, Pol [Police] Senior Sgt-Maj Chamnong Charoenying, 50, was killed while Pol Senior Sgt-Maj Prakopkit Sichan narrowly escaped death.

At the same time, another group of DKBA soldiers attacked a Buddhist monastery, killing a monk and a Karen layman and forcing a number of monks to abandon the temple.

The two victims were identified as Phra Nae Bi, 33, and Sang Pho, 50.

Shortly after the attack, the guerrillas surrounded Village Group 1 and Village Group 2 of Tambon Mae Usu and robbed four houses.

Wirat Khunna, 33, Chuchip Nusong, 56, Surachai Nimphanit and Ouaichai Nanta 36, were robbed of 15,000 baht cash, 15 baht weight of gold, a television set and a stereo with a total value of more than 100,000 baht, said the officials.

Of the victims, Mr Wirat was seriously wounded when he tried to resist the group. He was sent to Tha Song Yang Hospital after the renegade Karens retreated to Burma.

Vice-Abbot Phra Uppayasiri, 56, who was left alone at the temple, said: "Such an act is very cruel. Despite being Buddhists, the DKBA used weapons to kill several innocent people, even a monk."

The DKBA, a splinter group of the Karen ethnic minority allied with the Burmese government, has repeatedly attacked refugee camps in Thailand sheltering 70,000 Karen refugees.

Thailand: Train, Truck Bombed in Southern Provinces

BK3101071596 Bangkok THE NATION in English
31 Jan 96 p A1

[Unattributed report]

[FBIS Transcribed Text] YALA — A bomb exploded on a southbound train yesterday morning near Yala railway station, but no deaths or injuries were reported, police said yesterday.

The blast occurred between the second and third carriages of the Nakhon Si Thammarat-Sungai Kolok train while it was passing through Muang District's Tambon Yupo, three kilometres from the Yala railway station, police said.

They added that the railway tracks were damaged, disrupting train services.

Police said they found batteries, electric wires and a plastic box near the blast site. They also found a letter written in Thai and Yawee [Malay language] but declined to divulge any details.

Yala Governor Chuchat Phunsiri denied that the explosion was an act of terrorism and claimed a group of people had just wanted to stir up trouble.

Meanwhile, two teenagers yesterday morning hurled a Molotov cocktail at a Thai Rat newspaper truck in Khanom District, police in Nakhon Si Thammarat Province said.

Suthian Siwichai, the driver, told police he was attacked by two teenagers when passing Tambon Khuanthong. The device caused minor damage to the vehicle, police said.

Pol Maj Gen [Police Major General] Phisit Chairak, of Nakhon Si Thammarat Province, said police were looking into the complaint and suspected that the attack was motivated by the newspaper's reports on the land reform programme and a logging scandal in Surat Thani.

Thailand: Draft Plan for 'Quality' Development Approved

BK3101045596 Bangkok THE NATION in English
31 Jan 96 p A1, A2

[Report by Surachai Chuphaka]

[FBIS Transcribed Text] Plans to pursue "quality" development through a slightly lower economic growth rate over the next five years won Cabinet approval yesterday.

The draft for the National Economic and Social Development Board's eighth five-year plan proposed an annual growth rate of eight per cent between 1996-2001, down a little on the rate seen during the past five years.

"We're not oriented to growth but to stability in order to sustain human development and social improvement," said Deputy Commerce Minister Montri Danphaibun after a Cabinet meeting.

The budget plan for the 1997 financial year, starting on Oct 1, would be a device to help the government achieve its growth projections. Finance Ministry agencies will meet today to discuss how to match the planned 1997 fiscal state expenses with projections, Montri added.

On March 15, representatives of the government, the private sector and academics are scheduled to meet at the Queen Sirikit National Convention Centre to discuss the draft plan which will be implemented in October and end in September 2001.

The Cabinet agreed yesterday that Thailand should not concentrate just on economic growth as it has done in the past because it had produced social and environmental problems.

Under the new scheme, Thailand would not be geared to a high growth rate but rather stability which could result in sustainable development for society, especially in manpower.

There are four main strategies in the plan: human and social development to enable more learning; economic stability and efficiency to sustain human development; rural and natural resource development for sustainable growth; cooperation between the private and public sectors, as well as all economic and social groups.

Though seeking to lower the growth rate, the board's conditions state that concerned agencies should supply the necessary utilities to cover additional areas by the end of the period. This includes having a telephone line-to-population ratio at 20:100 by the end of the five years; the second international airport completed; Laem Chabang deep-sea port handling at least 2.25 million 20 foot equivalent container units and the Thai national fleet handling at least 18 per cent of all exports.

The draft projected that the trade deficit would be reduced from 7.9 per cent of gross domestic product (GDP) registered under the seventh plan to 3.9 per cent by 2001. The average current account deficit would also decline from 6.1 per cent to 4.8 per cent, with the deficit being only 3.4 per cent at the end of the plan compared with seven per cent for the seventh plan. The export target will also be reduced from 17.7 per cent to 16 per cent.

Compulsory education will be extended from six to nine years nationwide and the period should be increased to 12 years later. Workers' income in the non-agricultural sector should not exceed 13 times that of those working in the agricultural sector, while the poor should account for only 10 per cent of the population, compared with 13.7 per cent in 1992.

The number of science graduates would increase by 15 per cent per annum so that the total figures in 2001 would be 9,000 general science graduates and 26,300 engineers. Technicians would total 220,000, with a growth rate of 12 per cent per annum.

The subsidies for research and development should also be 0.75 per cent of the GDP.

At the Cabinet meeting, Prime Minister Banhan Sinlapa-acha remarked that the draft plan had been well prepared but that the board should include the following four points:

- A flood protection scheme for the capital and provinces.
- A clearer plan on exit and entry points between Bangkok and other provinces.
- A maritime business development plan.
- Ensuring that State Railway of Thailand can handle 420,000 passengers and 13 million tonnes of cargo a day.

Thai Minister on Revision of Insurance License Applicants

BK0102041896 Bangkok THE NATION in English
1 Feb 96 p B1, B2

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Commerce Minister Chuchip Hansawat is reluctant to revise the list of insurance license applicants screened by his ministerial committee despite critical comments from Deputy Prime Minister Amnuai Wirawan.

The list of 66 applicants for new life and general insurance licenses was intentionally leaked a few days ago and Chuchip said submission of names for Cabinet approval would be further delayed.

"I don't know whether I will forward the list to the next Cabinet meeting. The ministry must carefully note comments by other people," Chuchip said after wrapping up a meeting on insurance licenses. The list had been scheduled to go to the Cabinet last Tuesday.

Amnuai, at the behest of Prime Minister Banhan Sinlapa-acha, said on Tuesday the screening process

conducted by the ministry did not adequately ensure new operators would operate viable businesses.

Amnuai said the ministry appeared to have given oral examinations to executives from applicant companies but refrained from conducting more reliable tests.

Yesterday, Chuchip said it was impossible to revise the screening method at this late juncture.

However, he said the ministry would carefully consider all details, taking into consideration the size of the economy and the proper number of insurance operators, before submitting its list to cabinet for approval.

Some 66 applicants passed the test — 35 life and 31 non-life — out of a total of 87 applications.

Opposition politicians and executives of existing insurance companies argued the number of candidates was too high and would weaken the industry.

Former Deputy Prime Minister Supphachai Phanitchaphak is on record as saying the ministry should grant 25-30 licenses.

Currently, there are 13 life insurance and 87 non-life insurance operators.

Asked if 66 additional companies were too many, Chuchip responded with the rhetorical question "Do you understand the word liberalization?"

Sunthon Bunsai, who is applying for a license for Alpha Life Assurance Co, said all 66 applicants should be granted licenses, but the ministry should be allowed to reserve the right to withdraw licenses from ineffective performers.

Criteria for management should be created to supervise new companies; if they cannot meet the requirements, they should be penalized, he said.

Vietnam

SRV: 5-Year Jail Sentence Handed Down to U.S. Citizen

*BK2701152396 Hanoi VNA in English
1510 GMT 27 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.27 — The People's Court of the northern port city of Haiphong today gave Everett Milton Sennholz, an American citizen, a sentence of five years' imprisonment on charge of smuggling guns, currency and banned videos.

Everett Milton Sennholz, born on Dec.31, 1950, has come to Vietnam several times as a tourist. He had brought into Vietnam rifles, ammunition, a coin collection, books and videos with untruthful contents about

Vietnam, and pornographic films. The undeclared items had been discovered by customs officers.

In addition to the five-year jail term, he was fined VND 140 million (roughly USD 13,000).

SRV: Last Meeting on Reopening Railway Link With PRC Held

*BK3001082396 Hanoi VNA in English
0632 GMT 30 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.30 — The final detail for the resumption of the Sino-Vietnamese railway links is being currently discussed here between representatives of the Vietnamese Ministry of Communication and Transport and the Chinese Ministry of Railways.

The two sides informed each other of their near complete preparations at the Dong Dang (Lang Son)-Pingxing (Guangxi Zhuang) railway stations and the Lao Cai (Lao Cai) — Shanyao [word indistinct] stations.

Minutes of the talks on opening traffic and a protocol on railway resumption will be signed at the end of the meeting. The opening of traffic on the railway links is expected to start in mid-February this year.

SRV Radio Comments on Railway Link With PRC

*BK3101102396 Hanoi Voice of Vietnam in English
1000 GMT 30 Jan 96*

[Station Commentary]

[FBIS Transcribed Text] As we have reported earlier, the Vietnam-China railway will be linked on 13 February. Here is our radio editor's comment.

The decision to link railways between the two countries was reached during the visit to China in November last year by Vietnamese Party General Secretary Do Muoi. Leaders all agreed the linking of the Vietnam-China railway will benefit both countries, creating a more favorable situation for bilateral exchange, particularly in trade exchange and economic cooperation.

In this spirit, over the last two months both countries have positively sped up necessary activities to link the two railways. The Vietnam-China railway line between Dong Dang and Pingxiang, and Lao Cai and Shanyao will be linked on 13 February, on week prior to Tet, Vietnam's traditional new year festival. Railway specialists from both countries met on 19 January in Nanning, China, to discuss the issue. According to a fax sent from Nanning, Vietnamese and Chinese ministers of transport and communications will meet in Hanoi during 2-4 February to issue concrete time schedule.

Vietnamese deputy minister of transport and communications, Mr. Bui Van Suong said a train would leave Beijing for Hanoi through Lang Son Border Gate on 12 February. The following day another train will leave Hanoi for Beijing to travel through the same border gate. Preparations for the railways link are being completed at the two Vietnamese railway stations of Dong Dang and Lao Cai. Total investment in upgrading the two stations was estimated at 13 billion Vietnamese dong. The chief of Lao Cai Railway Station, Mr. Vu Tuan Oanh said his station was ready for the new service.

Vietnam and China have concluded a number of economic agreements, including an agreement on road transportation, an agreement on ensuring quality of export commodities, and an agreement on the establishment of the committee of economic and trade cooperation. These agreements have created a basis for promoting bilateral trade exchange. The rail link will further promote trade exchange between the two countries, contributing to improving the bilateral relations as well as the life of people along the border.

SRV Accord Signed With Japan on Bridge Restoration Project

BK2901152596 Hanoi VNA in English
1450 GMT 29 Jan 96

[FBIS Transcribed Text] Hanoi VNA January 29—Japan has signed a note of exchange relating to an yen 3.5 billion (roughly USD [U.S. dollar] 35 million) project to help Vietnam restore 29 bridges in northern mountain provinces.

The document to this effect was signed here today by Japanese Ambassador Katsunari Suzuki and Vietnamese First Vice Minister of Transport and Communications Le Ngoc Hoan.

Under the project, the first non-refundable aid programme granted by the Japanese Government to Vietnam's transport sector, the Japanese Government will cover the total restoration costs of 21 bridges while providing materials for the construction of the rest eight bridges, all from Ninh Binh Province northwards. Bidding will be opened for Japanese companies to treat the first 21 bridges and for Vietnamese companies to build the rest.

Construction is expected to start within the third quarter of this year and will be completed in 24 months later.

SRV Communist Party Delegation Visits Laos

BK2901152696 Hanoi VNA in English
1450 GMT 29 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 29—A delegation of the External Relations Commission of the Communist Party of Vietnam Central Committee led by deputy head Mr. Nguyen Van Son has paid an eight-day working visit to Laos.

The delegation was received by Mr. Thongsing Thamavong, Politburo member and head of the organisation commission of the Lao People's Revolutionary Party (LPRP) Central Committee Mr. Somsavat Lengsavat, member of the LPRP Central Committee, head of the External Relations Commission and foreign minister and Mr. Maisouk Saisompheng, member of LPRP Central Committee and president of the Laos-Vietnam Friendship Association.

The delegation held talks with a delegation of the LPRP Central Committee's External Relations Commission led by deputy head Mr. Khamphet Phengmouang. The two sides highly appreciated the development of the two countries' friendship, special solidarity and all-round cooperation in recent years and reaffirmed their desire to further consolidate and promote the traditional relations between the two parties and peoples.

The delegation made tours of some cultural and economic establishments in Vientiane capital and the Provinces of Luong Prabang and Vientiane.

SRV Establishes Diplomatic Ties With Bosnia-Herzegovina

BK2701155796 Hanoi VNA in English
1510 GMT 27 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan.27 — The Vietnamese Government yesterday decided to recognize the Republic of Bosnia-Herzegovina.

The same day, a joint communique on the establishment of diplomatic relations at ambassadorial level between Vietnam and Bosnia-Herzegovina was signed in New York.

The signatories were Vietnamese Ambassador to the United Nations Ngo Quang Xuan and Bosnia-Herzegovina's acting ambassador to the United Nations Ivan Zdravko Mistic.

SRV Commentary Marks Arrival of First EU Ambassador*BK2901152896 Hanoi Voice of Vietnam in English
1000 GMT 29 Jan 96*

[Station commentary]

[FBIS Transcribed Text] The first ambassador of the European Union to Vietnam, Ravenna Riccardo, last week presented his credentials to Vice President Nguyen Thi Binh. This event means that from now on a full diplomatic representation of the EU is present in Hanoi. On this occasion, our radio editor brings you a review of relations between Vietnam and the EU:

Vietnam and the EU officially set up diplomatic relations in November 1990. After that, the two sides made some progress and initial results were very positive. These moves have contributed to strengthening the two sides' prestige in international arena. The quick developments of relations between the two sides were marked by the official visit to the EU by Vietnamese Prime Minister Vo Van Kiet in July 1993, the visit to the European Parliament by Vietnamese National Assembly Chairman Nong Duc Manh in February 1995, and the official visit to the EU by Foreign Minister Nguyen Manh Cam in July 1995. European senior leaders also visited Vietnam. Worthy of note was the visit by Vice President of the European Commission Manuel Marin in September 1995 and member of the European Commission in charge of external relations Hans Van den Brock.

The exchange of visits made by the two sides promotes the understanding of each other. As a result, the two sides signed a number of important agreements including the agreement on the framework cooperation between Vietnam and EU in July 1995. The EU's decision to send its ambassador to Vietnam proved its assessment of Vietnam's role and position in the region for peace, cooperation, and development. It was also a concrete step and goodwill in its strategy in Asia and Pacific. To date, the trade turnover between Vietnam and the EU increased from \$116 million in 1990 to nearly \$1,500 million last year. Eleven out of 15 member countries of the EU have direct investments in Vietnam worth totally \$2.8 billion, accounting 16 percent of the total foreign investment in Vietnam.

With the current development and positive contributions of Ambassador Ravenna, who already has good sentiment toward Vietnam, relations between the EU and Vietnam will be further developed.

SRV: Goods, Luggage Procedures on International Trains Issued*BK2901075896 Hanoi VNA in English
0652 GMT 29 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.29 — The General Department of Customs issued a temporary regulation on Jan.24 on customs procedures for imported and exported goods and passengers' luggage taken in and out Vietnam by international trains.

Under the regulation, 'Intzvationa 54-8,' including locomotives, coaches and other railway vehicles, are to be inspected and supervised by customs officers. All luggage, packages and goods carried by the train, fuel and material used for trains as well as appliances and food required by the staff must be declared to and supervised by customs officers.

The regulation which takes effect immediately provides detailed procedures for imports and exports to be cleared in and out international stations and for luggage as well as trains in and out the country.

SRV Cabinet Session Discusses Major Tasks for First Quarter*BK3101085696 Hanoi VNA in English
0702 GMT 31 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan. 31—The cabinet met in Hanoi on Jan. 29-30 to seek ways to realise the major tasks set for the first quarter of this year.

The regular session, held every month by the government was attended by Prime Minister Vo Van Kiet, and Deputy Prime Ministers Phan Van Khai, Nguyen Khanh and Tran Duc Luong. Also present were the mayors of Hanoi, Ho Chi Minh City, Haiphong port city and other provinces and cities across the country.

The participants heard reports on a national financial policy and a draft law on the state budget, and on detailed measures to boost administrative reforms in the first three months of the year.

The cabinet made the following decisions six major issues on administrative reforms:

—amendments and supplements to regulation concerning housing and the property business and measures to be taken to facilitate normal business operations in this field.

—amendments to the statute on investment and construction management, regulations on evaluation and implementation of foreign-invested projects in an effort to simplify administrative procedures and promote direct foreign investment in Vietnam.

—amendments to regulations on the organisation and administration of the financial system to ensure uniform operations and management from central to the grass-root levels.

—amendments to regulations on responsibility for the state management by all ministries, government offices and localities, and to gradually abolish the policy of management by parent ministries and administrative levels.

—amendments and supplements to regulations concerning the public notary in order to simplify notary procedures.

—drastic measures to finalise a new system on qualification, rank and positions of public functionaries. Efforts will be made to issue regulations on the selection of public functionaries personnel training and issues concerning responsibilities and duties and administrative punishments applied to public functionaries as soon as possible.

Addressing the meeting, Prime Minister Vo Van Kiet stressed among other things, the efforts and measures needed to ensure production and to stabilise market prices in the periods before and after Tet (lunar New Year celebrations).

In addition to debate on a draft law on the state budget, the cabinet also made comments on a draft law on cooperatives before it is submitted to the National Assembly at its next session.

SRV: General Secretary Addresses Course on Party Policies

BK2701083394 Hanoi VNA in English
0647 GMT 27 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 27 — Five hundred intellectuals and art and literature workers have taken part in a ten-day course on party policies and guidelines jointly organised by the national Ho Chi Minh Institute of Political Science and the Secretariat of the Communist Party of Vietnam.

The course was aimed to raise the participants' understanding of the party's policies and view-points since its 6th congress in 1981, thus forming a unified ideology among party members, correcting misled thoughts, and defending the party's ideology and policies. During the course, the participants also studied and made comments on draft documents that will be submitted to the eight party congress scheduled for mid 1996.

At the opening of the course, Mr. Dao Duy Tung, Politburo member of the Communist Party of Vietnam Central Committee, gave a report on the process of

formation and development of the party's renovation policy.

Addressing the course, party General Secretary Do Muoi spoke of the transitional path to socialism and the industrialisation and modernisation cause of the country, which, in his words, is an inevitable process. The industrialisation process will be carried out by different economic sectors in a market economy mechanism regulated by the state and in line with socialist orientation. He laid emphasis on the importance of human resource, a precious and decisive factor for the success of the national renovation process. The party leader held that intellectuals and artists played an important role in educating people, fostering and nursing human resource and talents, thus making considerable contributions to bringing the country out of poverty and backwardness.

Speaking to the closing session of the course yesterday Nguyen Duc Binh, Politburo member and secretary of party Central Committee, requested the participants to uphold their patriotism and attachment to the party, make comments to party congresses at different levels, and contribute their wisdom and talent to the present process of national industrialisation and modernisation.

SRV Orders Measures To Check Inflation Rate in 1996

BK2601154796 Hanoi VNA in English
1441 GMT 26 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 26—The government has ordered ministries, sectors and localities throughout the country to carry out integrated solutions to effectively check the inflation rate in 1996.

Solutions include boosting production development, minimising production and distribution costs, practising thrift in expenditure, [word indistinct] reserve funds, and ensuring major balances of the economy to satisfy proposed economic growth rates.

Renovating the economic management mechanism in conformity with the state-controlled market mechanism is one of the solutions to raise the efficacy of the fight against inflation.

Payment facilities must be controlled in line with demands for economic growth, with payment increases varying at 21 percent credit balances increasing by between 21 and 22 percent and capital mobilised from various sources up by between 40 and 45 percent. The readjustment of interest rates and exchange rates must also conform to socio-economic development in the next stage.

Relevant agencies are required to take drastic measures to help goods distribution occur smoothly with a view to

stopping hoarding and false shortages which may cause damage and loss to production and people's life.

To prevent prices skyrocketing, especially in early months, the government has asked ministries and sectors to comply with the prime minister's instruction on market stabilisation during the coming lunar new year festival.

To this effect, the Finance Ministry has declared turnover and profit tax exemptions for organisations and individuals engaging in the trading of foods and foodstuffs. The exemptions will be applied from February 1-29 when the traditional Tet festival occurs.

SRV Association Seeks To Boost Agricultural Development

*BK2701153496 Hanoi VNA in English
1449 GMT 27 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.27 — The Farmers' Association of Vietnam (FAV) has met here to determine measures to help its members to push up production of agriculture, backbone of the national economy.

The measures to be taken in 1996 include the establishment of a fund to support farmers, a stronger role to play by the association in the development of agricultural cooperation in rural areas, and the implementation of the land law and the government's policy on land allocation to farmers.

In the four-day meeting which ended yesterday, the FAV executive committee also discussed how to create more jobs for farmers and guide them to apply advanced technology in agricultural production.

Last year, the FAV at various levels reorganised and diversified their activities in order to provide more agriculture-related services to farmers.

Also last year preferential loans from various sources worth thousands of billion Vietnamese dong were given to farmers across the country. Of the loans, VND 1,608 billion (some USD 140 million) were disbursed at the credit of the FAV.

Apart from organizing training courses on farming technique, the association made big efforts to help farmers restructure their agricultural economy, replacing the old-fashioned monoculture with multi-crop cultivation, developing livestock breeding and new economic models suitable to given localities.

Over 500,000 farmers were admitted last year as new members of the FAV, making it one of the biggest mass associations in the country.

SRV Working Session Discusses Hanoi's Development

*BK2601143096 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 25 Jan 96*

[Unattributed report on Vietnamese Prime Minister Vo Van Kiet's working session with Hanoi officials in Hanoi on 23-24 January]

[FBIS Translated Text] After working with Ho Chi Minh City and a number of provinces in the south, Prime Minister Vo Van Kiet and Deputy Prime Ministers Phan Van Khai, Nguyen Khanh, and Tran Duc Luong reserved two days to work with Hanoi city leaders. This was an important meeting, not only for Hanoi but also for the whole country in terms of orientation and guidance. Also attending the working session with the prime minister and deputy prime ministers were the ministers and general directors of 20 ministries and departments at the central level.

On behalf of the Hanoi officials, Comrade Hoang Van Nghien, chairman of the Hanoi People's Committee, briefed the prime minister and the deputy prime ministers on the implementation of 1995 plans and programs and on Hanoi's socioeconomic orientations for 1996. He informed the session that the economy of the capital city has recorded significant progress in the past five years and is gradually gaining stability. The median annual growth of GDP has been 11.9 percent, and it was 14.2 percent in 1995. Per capita average income increased from \$442 in 1990 to \$695 in 1995.

Also in the past five years, Hanoi has achieved or exceeded all of its economic targets, while prices remained relatively stable. The economic mechanism is changing positively in the right direction. The industrial percentage of GDP increased from 31.6 percent in 1994 to 33.1 percent in 1995, while the service sector decreased from 62.8 percent to 61.6 percent and agro-forestry from 5.6 percent to 5.3 percent. Industrial production in the city developed; production value increased by 17.5 percent, including city-owned production value, which increased 21.5 percent.

Many enterprises were strengthened by heavy investment, thus becoming capable of producing new high-quality products for domestic use as well as for export. Non-state industry developed satisfactorily; the production cooperatives sector was consolidated and reorganized. Sixty-six cooperatives changed to share-holding enterprises, or 24 percent of the total. Production output in agro-forest-aquatic product industries increased by 5.3 percent. Total food staple production—calculated on the basis of rice—was 244,000 tonnes or 37.7 percent higher than that of 1994. External economic activ-

ity was expanded, with the city's total export value at \$700 million, or a 26 percent increase. Hanoi had 50 foreign investment projects licensed in 1995, with a total investment capital of \$1.5 billion.

In addition to these achievements, Chairman Hoang Van Nghien also reported to the prime minister and the deputy prime ministers on the work that has not been completed. For example, the efficiency and quality of production activities are not high enough, even though the pace of economic development is satisfactory. The financial and monetary system has not become an active tool in macromanagement. The under collection of taxes remains serious. Illegal construction is still rampant and, most notably, state management in production and business control activities, urban management, land management, employment creation, and suppression of social vices still demonstrate weaknesses in certain areas.

In their speeches, Comrade Pham The Duyet, city party committee secretary, and Comrade Le Xuan Tung, deputy party committee secretary, also pointed out the city's major directions from now until the year 2000, the directions that will be the main content of discussions at the upcoming 12th city party congress. The directors of offices in the city also spoke about the city's steps toward industrialization and modernization. This included, among many other issues, special issues such as: How big should the population of Hanoi be? What is the direction of the development plan for Hanoi? What will the investment for infrastructure construction be? On the path to modernization, what will be Hanoi's core sector, and which plants or animals will be the most economic for cultivation and husbandry?

Ministers Do Quoc Sam, Ngo Xuan Loc, Le Xuan Trinh, Ho Te, Tran Dinh Hoan, Do Nguyen Phuong, Phan Van Tiem, Phan Ngoc Tuong, Tran Hoan, and other ministers and directors general expressed their opinions on the construction and development of the capital city to the year 2000 and the responsibilities of their own ministries or sectors to the city's development process.

Speaking on the investment plan for Hanoi, Minister Do Quoc Sam agreed with the directions pointed out by the city authorities in the draft political report for the upcoming city party congress and in the Party Central Committee Political Bureau's Resolution No. 8 about Hanoi. On the Hanoi master plan, he stressed that Hanoi does not necessarily need a population larger than 3 or 4 million. It does, however, need additional investment in infrastructure construction, and the rate of investment should be higher than the existing rate of 6 percent of gross income.

In the next five years, infrastructure construction capital should be 38 trillion dong, or one-tenth of the country-wide investment capital. On the development direction for the city, he said that Hanoi should retain its 36-old-street quarter, while continuing the beautification of other new quarters that were built in the early part of this century. Old community residential areas should also be restored and upgraded. High-rise buildings should be built where necessary while maintaining the existing beauty of the capital.

It is necessary to build satellite cities around the capital, such as in Nghia Do and South Thang Long, to complete the road section from Hanoi to Hoa Lac and to speed up research on the construction of the Thanh Tri Bridge. On the issue of capital, he asked why we should not lease land to domestic enterprises if we agree to use land as a capital contribution in joint ventures with foreign partners.

Speaking about construction in Hanoi, Minister Ngo Xuan Loc reported that Hanoi needs a supplement of 2 million square meters of housing area from now to the year 2000 in order to raise the average per capital residential area from 3.7 to 5 square meters. The existing situation of construction without permission, however, needs to be halted. The general construction master plan should be considered carefully. Proper attention should be paid during the construction process to issues of environmental protection, provision of clean water and greenery, and the elimination of obsolete and unhygienic toilets, etc.

On acquiring capital for the city, Comrade Do Que Luong, deputy governor of the State Bank, said that the use of personal checking accounts should be expanded in order to mobilize more capital from the people, and short-term savings should be encouraged to be used in middle- and long-term loans. We should also witness more efforts to obtain foreign capital loans with preferential conditions.

On trading activity, Comrade Truong Dinh Tuyen, trade deputy minister, said that the city should reorganize its trading system, including the markets and abattoirs. He pointed out that the total local export value target for 1996 drawn up by Hanoi authorities of a 27 percent increase in comparison with 1995 was too low, because Hanoi was going to have more enterprises producing export commodities.

Discussing the administrative mechanism of the city, Minister Phan Ngoc Tuong said that Hanoi needs to clarify the role of officials at the ward level. The existing situation of these officials, in which meals are provided by the family and shirts by the wife—should not continue. Experimental pilot projects to turn these

cadres into public employees should be instituted in selected localities, and the experience can be used later in other places in the city.

During the two working days, Prime Minister Vo Van Kiet and the deputy prime ministers also listened to the opinions of other ministers on the educational, cultural, and social tasks of the capital from now to the year 2000. Deputy Prime Ministers Phan Van Khai, Nguyen Khanh, and Tran Duc Luong also spoke at the conclusion of the meeting on the issues of development investment, organization of state enterprises, employment creation, maintenance of social order and disciplines, preservation of national culture, construction of state mechanisms, and budget allocation. The opinions raised by the deputy prime ministers serve as suggestions and guidance for Hanoi in the process of defining the tasks and directions of the capital, which is now entering a phase of industrialization and modernization from now to the year 2000.

Concluding the meeting, Prime Minister Vo Van Kiet praised the efforts rendered by Hanoi authorities in the socioeconomic development in past years. He also pointed out Hanoi's important role in the coming years. The prime minister said:

[Begin Vo Van Kiet recording] In the period of industrialization and modernization, Hanoi's responsibility to the country, as well as to outsiders, is very important. French-speaking countries, as well as many ASEAN regional conferences—of which we are now a member—will meet here regularly in 1997 for the first time. An ASEAN leaders summit will be held in 1998. For the current status of the capital, as well as for the next five-10- or 20-year period, I think that we will probably need to revise the city master plan one, two, or even three more times. I think that a number of issues raised before need to be discussed again for unanimous agreement; they will not be clear otherwise. At the same time, we need to revise the master plan for the new building and residential areas.

The second issue I want to raise with you, comrades, is the order and discipline in state management in the capital. In the past, party organizations at all levels in Hanoi have correctly guided the masses to achieve considerable targets that corresponded to the people's true aspirations. I think that heavy responsibilities still lie ahead of us, but we can always go back to the principles of relying totally on the people, trusting people, and confirming our determination to achieve what we want in a thorough and determined way. This is where you need to deliberate. We should be determined

that the capital advance to match its important status. [end recording]

On behalf of the city officials, Comrade Pham The Duyet thanked the ministries and sectors at the central level for the concern for and assistance to Hanoi, assistance that is helping Hanoi to advance firmly and rapidly on the path of industrialization and modernization. He affirmed that the guidance given by Prime Minister Vo Van Kiet and the deputy prime ministers at this session would be highlighted in the political report of the upcoming 12th city party congress and would be a valuable contribution to the building up of the capital to be worthy of the country's heart.

SRV Sets Targets for 1996 Socioeconomic Development

*BK2901075996 Hanoi VNA in English
0717 GMT 29 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan. 29 — Hanoi this year plans to increase the city's gross domestic product by 14.5 percent, industrial production by 18-18.5 per cent, and export turnover by 27-18 percent in comparison with 1995.

The targets were set by the Municipal People's Council at its 5th session recently held to work out the city's socio-economic development in 1996.

This year, the first year of the 1996-2000 five-year plan, Hanoi will make efforts to create favourable conditions for economic growth. It plans to start construction of industrial zones at Sai Dong A, northern Thang Long and the Soc Son Export Processing Zone [EPZ] focus production capital on key products promote the issue of specific project bonds and shares to mobilize capital and raise the effectiveness of banking activities, information, and auditing systems.

Hanoi will also continue to change its economic structure to ensure that in the GDP industry and construction account for 34 percent, services, 61 percent and agriculture and forestry, 5 percent.

Concerning industrialisation and modernisation of the capital's economy, the municipal people's council stressed that the city must strive to mobilize capital from various sources to renovate equipment and technology of businesses engaging in making electric appliances, electronics, textiles, leather goods, tailoring, engineering, food-processing, and production of building materials. The city must also attract more

foreign investment capital to the Sai Dong A and northern Thang Long industrial zones and the Soc Son EPZ, and promote economic cooperation with other provinces, especially the Hanoi-Haiphong-Quang Ninh economic development zone to make full use of

potential and boost the preparation for pre- feasibility and feasibility studies for development projects in industry, infrastructure, tourism and services.

Australia

Australia: Evans, New Zealand Premier Condemn French Test

*BK2801082896 Melbourne Radio Australia
in English 0600 GMT 28 Jan 96*

[FBIS Transcribed Text] The latest French test has met with widespread condemnation from other nations, including Australia. The Australian foreign minister, Gareth Evans, spoke of environmental concerns:

[Begin Evans recording] The size of it — 120 kilotons estimated, which is roughly 10 times the size of the bomb which devastated Hiroshima — makes the protest ground particularly strong on environmental grounds on this occasion. Moreover, every test that occurs does nothing more than reinforce the skepticism, the cynicism, the hostility which now exist throughout the developing world, in particular among the threshold and undeclared nuclear weapon states, about the hypocrisy and double standard of the nuclear weapon states. [end recording]

The Japanese prime minister, Ryutaro Hashimoto, described the test as very regrettable and his New Zealand counterpart, Jim Bolger, called the French action outrageous.

[Hong Kong AFP in English at 0127 GMT on 28 January adds: "New Zealand Prime Minister Jim Bolger said Sunday France's nuclear-test programme had been 'outrageous' and called on French President Jacques Chirac to make good his vow of support for an international ban on testing. Reacting to the sixth detonation, at Fangataufa Atoll in the South Pacific, Bolger said in a statement issued here: 'France's commitment to a CTBT (Comprehensive Test Ban Treaty) and to sign the South Pacific Nuclear Free Zone treaty are welcome, and as evidence of good faith I invite President Chirac to move immediately on both issues. France's insistence on continued testing has been outrageous. The aim of the world must be to stop nuclear testing forever and as a step in that direction, France must close its testing sites in the Pacific for all time. This sixth test must surely be the last.' Bolger said French ambassador Jacques Le Blanc would again be summoned to receive a diplomatic protest and France would be told it was New Zealand's 'firm expectation' that the sixth test would be the last."]

Australia: French Decision To End Nuclear Test Welcomed

*BK3001023196 Melbourne Radio Australia
in English 0100 GMT 30 Jan 96*

[Recorded passages in quotes]

[FBIS Transcribed Text] Australia's Prime Minister Paul Keating has welcomed the decision by France to end nuclear testing in the South Pacific. However, he says, there was no necessity for the tests.

"The fact that he has announced the cessation is welcome. They should never have been on in the first place, but secondly, the main thing is now is to pull them, Britain and the United States into a comprehensive test ban treaty and on indications, it looks like that may well be possible."

Australia's Foreign Minister Gareth Evans says the French Government may be liable for compensation. "Absolutely, this chapter is by no means closed and it won't be until we can be confident that there has been no environmental damage. Certainly, if there is any evidence of such damage, we will be pursuing as we were from the outset, the question of compensation and the French Government's responsibility for that. We have argued right from the outset that there be a fully competent and well equipped international team."

Australia: Keating, Evans on French Nuclear Test Decision

*LD3001152396 Melbourne Radio Australia
in English 1230 GMT 30 Jan 96*

[FBIS Transcribed Excerpt] Australia says the conclusion of the French nuclear test program will not end the French obligations to the South Pacific, and Australia says it joins with the rest of the South Pacific Forum in calling on France to continue to monitor the environment of the test sites. Graeme Dobell reports from Canberra that the Australian Government says France should accept responsibility for compensation for future environmental problems:

[Dobell] Prime Minister Paul Keating said France had to give the international community access to all nuclear test data and sites, so there could be an independent and comprehensive assessment of the effects of testing. Australia's prime minister said the six nuclear tests conducted by France had posed a grave risk to the cause of international disarmament:

[Begin Keating recording] There was never a case for these tests. I mean, it was an outrage that they were ever considered or brought on. There was no requirement to improve the inventory of the French weapons. As

we have made clear through our Canberra Commission brief, we believe that nuclear weapons don't have a place, an effective strategic place, that they can or would ever be used, and therefore, that the world would be a safer place without them. And to find a major democracy like France testing weapons of this kind, at this point, after the Cold War has ceased, was completely unacceptable.

The fact that he [Chirac] has announced their cessation is welcome. They should never have been on in the first place, but secondly, the main thing is now, is to pull them and Britain and the United States into a comprehensive test-ban treaty. And on indications, it looks like that may well be possible. [end recording]

[Dobell] Mr. Keating said Australia's opposition to the French tests was not the result of any hostility to France or the French role in the South Pacific. The prime minister said there was a lot of bad feeling in the Australian community, but Australia was not permanently anti-French.

The foreign minister, Gareth Evans, said there was no obstacle to Australia resuming normal relations with France once Paris signs the South Pacific Nuclear-Free Zone Treaty, the Treaty of Rarotonga. [passage omitted]

Senator Evans said Australia would continue to push China to follow the French lead and announce an immediate end to nuclear tests. And the foreign minister said Australia was also expressing its concerns to India and Pakistan about their potential nuclear capabilities:

[Begin Evans recording] We hope the information coming out of the subcontinent about possible tests there represents political chest-beating rather than any serious military intent to go down a testing path — that obviously it would be quite disastrous from the point of view of the world nonproliferation agenda for a new chapter of testing and activity on the subcontinent to now open up. I think the weight of world opinion is now so very, very strong against any further testing by anyone and in favor of the nonproliferation objective that we should be able to secure that result; but obviously, it's one that we will be continuing to work for very hard. [end recording]

Australia: Evans on Seeking PRC's Halting Nuclear Tests

BK3001111296 Hong Kong AFP in English
1041 GMT 30 Jan 96

[FBIS Transcribed Text] CANBERRA, Jan 30 (AFP)—Australian Foreign Minister Gareth Evans said Tuesday that Australia would seek a Chinese decision to halt nuclear tests.

He referred to China in a statement in which he welcomed French President Jacques Chirac's announcement that France would halt tests in the South Pacific.

Evans noted that France had committed itself not only to signing the Comprehensive Test Ban Treaty (CTBT) on a zero yield basis, but also to the South Pacific Nuclear Free Zone Treaty.

"All of that represents a very formidable and formidably effective set of results for Australian foreign policy," he said.

Asked if China should make a similar declaration to the one from France on halting nuclear tests, Evans said "of course we will continue to pursue that with the Chinese government as I hope other countries around the world will."

"The Chinese have never committed themselves at any stage to stopping tests other than in the context of a fully signed up Comprehensive Test Ban Treaty, but they do say they will support that and we'll certainly be holding them to that," he said.

Evans said Australia would resume normal relations with France once it signed the South Pacific nuclear free zone treaty, which was expected to happen within the next few weeks.

It was important to develop a co-operative relationship with France on nuclear issues such as the test ban treaty which France has pledged to sign, he said.

The "irresponsibility" of the French government's decision to resume testing would not be forgotten, but Australia's quarrel was with that particular French policy, he said.

"It wasn't with the French government at large, nor of course was it with the French people, nor was it with the French presence in the Pacific, nor was it with any other aspect of French policy," Evans said.

"And on that basis, I think once these issues have been squared away there's no reason why we can't go back to a fully normal and fully confident and fully mature and mutually respectful relationship," he added.

Evans also said Australia would press France to allow international experts to visit the nuclear test sites and pursue the question of compensation if evidence emerges of environmental damage.

"This chapter is by no means closed and it won't be until we can be confident that there has been no environmental damage," he said.

Australia: Nobel Winner Urges End to Nuclear Threat

MS2301102796 London *THE GUARDIAN* in English
23 Jan 96 p 13

[Article by Joseph Rotblat, Nobel Peace Prize winner, member of Australian government backed Commission for the Elimination of Nuclear Weapons: "Going to War on War"]

[FBIS Transcribed Text] Here then is the problem which we present to you, stark and dreadful and inescapable. Shall we put an end to the human race, or shall mankind renounce war? [opening passage in italics]

This was the question posed in 1955 in the Russell-Einstein Manifesto. It was not a rhetorical question. It was put at that time because of the realisation that, with the development of the hydrogen bomb and ballistic missiles, human beings became an endangered species.

The extinction of the human race could result from a natural event, for example a collision with a comet or meteorite or an exceptionally violent volcanic eruption. Such a phenomenon was probably responsible for the extinction of the dinosaurs. But the fact that this cataclysmic disaster occurred some 60 million years ago, and none of such magnitude has apparently happened since, means that for all practical purposes we can put it out of our minds.

That such a catastrophe could be caused by the action of man was never considered seriously. History is full of attempted genocide. The gravest occurred this century: the Nazi programme of systematic elimination of whole categories of people, for no other reason than they were members of certain races. But there were no technical means for omnicide. The advent of nuclear weapons has changed all this.

The chief characteristic of the nuclear age is that, for the first time in history, man has acquired the technical capacity to destroy his own species, and to accomplish it wilfully or accidentally, in a single action. The enormous significance of this situation has not yet sunk in, it seems. We continue with our squabbles, which often lead to war, ignoring the danger that minor disputes may escalate into large-scale hostilities, and eventually to nuclear confrontation with catastrophic consequences.

Back in the fifties, the superpowers responded to the question in the Russell-Einstein Manifesto, not by renouncing war but by trying to make it impossible through the policy of "mutually assured destruction". It is widely believed that deterrence worked; it appears to many to have brought stability during the cold-

war period. But this is a grand illusion. There was no military stability; what we did have was a furious arms race. At no time was either of the superpowers satisfied with what it had in its arsenal. Throughout the period, scientists on both sides of the Iron Curtain kept on inventing new gadgets to make their own weapons more effective and those of the enemy more vulnerable. The result was an obscene accumulation of weapons — at one time reaching 70,000 nuclear warheads, 100 times more than was needed for deterrence. Even this was not enough to ensure security, and Ronald Reagan felt obliged to embark on the Star Wars project, a defensive umbrella which would have led to more offensive weapons being deployed.

There was an even chance, in my opinion, that a hardline leader would resort to the use of nuclear weapons in a desperate move to end the conflict. Fortunately, a sane man came on to the scene: Mikhail Gorbachev — influenced in part by the debates in Pugwash meetings — called a halt to the arms race, and saved civilisation.

At present the danger of a nuclear confrontation is greatly reduced, but it is still there. The nuclear states still adhere to the deterrence policy, which is bound to lead to more countries seeking the security which the United Kingdom and others say that the possession of nuclear weapons provides.

The only way to prevent this is to get rid of all nuclear weapons. There is indeed a growing realisation among the general public, as well as political and military leaders of the need to create a nuclear-weapon-free world.

The initiative of the Australian government to set up the Canberra Commission on the Elimination of Nuclear Weapons is evidence of this trend. Paul Keating announced the Commission last November, as the first serious study of its type directly supported by a government. It deserves the support of the British government.

Should these efforts succeed in bringing about a treaty to outlaw the possession of nuclear weapons, the world would be a safer place but not completely safe. The knowledge of how to make nuclear weapons cannot be erased. Even in a nuclear-weapon-free world, should the great powers become involved in a military confrontation, they would be tempted to rebuild nuclear arsenals. Moreover, other means of wholesale destruction may emerge from science. The human species will never be safe again, and we come back to the alternatives in the Russell-Einstein Manifesto: the end of the human race or renunciation of war. Since the first is unacceptable, war must cease to be an admissible social institution. The abolition of all war must be our ultimate goal.

To abolish war we need to create a new mind-set. We have to convey to the peoples of the world the message that the safeguarding of our common property — humankind — calls for developing in each of us a new loyalty, a loyalty to mankind.

Interestingly, the practical means for this are provided by science itself. The fantastic progress of science and technology has made this globe very small. We have all become close neighbours. Thanks to the tremendous growth of air travel, an ever increasing number of people from different countries meets each other. The development of satellite communications enables each of us to know instantly what is going on in any part of the world. By the use of computer network systems we can talk to each other; further advances in computer technology will overcome the language barrier. All of us, all inhabitants of the globe, are becoming like one family. But we still have to recognise this fact consciously and acquire a loyalty to mankind.

Loyalty to a group is an essential element in civilisation. A group, in which individual members fulfil specialised tasks, has a much better chance of achieving prosperity and security than if each individual fends for himself. It is in the interest of all members of the group to work in unison. Hence, loyalty to the group is essential. In the early history of civilisation the group was small, a family, but gradually — with increasing specialisation — a number of such groups combined, linked by some common characteristic; new loyalties were superimposed on the original ones, an extension rather than a replacement of previous loyalties.

With increasing interdependence of people, largely arising from technological advances, ever larger groups evolved, leading to the nation. This is where it has got so far. Loyalty to one's nation is at present supreme, overriding the loyalties to other groupings. But now, when the whole of mankind needs protection, we have to extend loyalty beyond the nation.

At a time when the action of a single nation may endanger the whole of civilisation, it is imperative to develop, and recognise consciously, even formally, loyalty to the whole of mankind. We must learn to think of ourselves as citizens of the world. The survival of humankind can no longer be taken for granted. It should be our conscious goal as we approach the new millennium.

Australia: Keating Outlines Electoral Strengths

*LD2701110696 Melbourne Radio Australia
in English 0900 GMT 27 Jan 96*

[FBIS Transcribed Excerpt] Australia is to hold a general election on 2 March. [passage omitted]

Political correspondent Graeham World reports that Mr. Keating began the five week election campaign with a news conference at parliament house.

[Begin recording] [World] Mr. Keating is asking voters for a mandate to consolidate the government's work. He says Labor has given Australia a place in the world and delivered strong economic and employment growth. He says the government will put forward a positive platform with detailed statements through the campaign. Mr. Keating recognizes the government must counter the opposition line that 13 years of Labor is long enough.

[Keating] It is the sense of achievement, fulfillment, direction, excitement which I think the government has been able to bring to its own work, and to the direction for Australia, which are in the end its strength.

[World] Mr. Keating says the cabinet has been remade. The average age is 47, the same as when Labor won power 13 years ago. He claims the coalition is bereft of ideas and would take Australia backwards. Mr. Keating and Mr. Howard [opposition Liberal/National Party coalition leader] are expected to face each other in two debates. Mr. Howard has already agreed to Mr. Keating's proposal for senior ministers and their opposition counterparts to also debate each other. [end recording]

New Zealand

New Zealand Research: Radiation Leakage Likely in Polynesia

*LD2601114396 Melbourne Radio Australia
in English 0900 GMT 26 Jan 96*

[FBIS Transcribed Text] Researchers in New Zealand say serious radiation leakage is likely to be occurring at the French nuclear test sites at Mururoa and Fangataufa and they predict it will continue for many years. The theoretical research was carried out by scientists at Auckland University's Center for Peace Studies and [words indistinct]. The principle researcher, Dr. Richard [Ansis], says the study indicates that a higher than previously predicted level of radioactivity could be released into the ocean, as much as 50 times more than the Hiroshima and Nagasaki atomic bombs. [remainder of item indistinct]

**New Zealand: International Relations in 1995
Reviewed**

*BK0801020596 Christchurch THE PRESS in English
5 Jan 96*

[Editorial: "NZ [New Zealand] in the World" — received via Internet]

[FBIS Transcribed Text] Lord Palmerston's observation about Britain, that it had permanent interests but not permanent friends, has been taken to apply generally to the foreign relations of all countries. It may not be totally true but has enough truth to illuminate many situations — certainly it helps identify some of New Zealand's foreign relations experiences in 1995.

Many New Zealanders who had thought that this country was friends with the United States were startled after the break of 1984 and 1985. It took until 1995 for relations between the two nations to be normalised. New Zealand was downgraded in 1985 from being an ally to being a friend. Countries can be allies in other ways than being formally in a defence alliance, though it was in the stricter sense that the US tended to use the term. In 1995 New Zealand was not upgraded again to being an ally but Jim Bolger, the Prime Minister, was received as an official guest of the US Government and this amounted to a restoration of high-level dialogue between the two countries. This has been reinforced by other visits at high levels. At the time of the break the then Labour Government believed the row would blow over in a few weeks. It took 10 years. There remains what President Clinton called unfinished business; that is, New Zealand and US troops may still not exercise together but at least the countries are behaving normally.

The path from 1985 to 1995 covered interests that were both New Zealand's and those of the US. Service on the Security Council, which involved day-to-day decisions over matters of great complexity, the dispatching of troops to Bosnia, and the general role as an international citizen, were all activities that New Zealand was engaged in. This helped convince the US that it was in its interests not to reject New Zealand.

New Zealand was never bound to France as an ally as it had been to the US. However, long after the discreditable events associated with the sinking of the Rainbow Warrior there came the apologies by France, a visit to New Zealand by a French Prime Minister, and the suspension of nuclear testing in the South Pacific, and relations improved considerably, particularly at an official level. In 1995 all that was undone because an incoming President of France decided that France needed one more series of nuclear tests. Much to his astonishment neither in France itself nor internationally

was the resumption of nuclear tests accepted. One good development was that France has decided that it will sign the comprehensive test-ban treaty when it is completed. The skill in managing that relationship lay in opposing France but keeping an eye on New Zealand's long-term interests, which were to get France to sign the comprehensive treaty and to close its nuclear testing sites in the South Pacific, and also to retain France's presence in the region.

New Zealand is bound to Britain in an alliance but the alliance is almost a trifle compared to the other links that make Britain both an ally and a close friend. It is too soon to decide whether the pronounced choice Britain made to back France over nuclear testing and to override New Zealand's concerns will make New Zealanders reflect long-term on how they feel about Britain. John Major was putting what he saw as Britain's permanent interests first.

New Zealand's most important relationship continues to be that with Australia. It is an ally and friend in the pursuit of practically all of New Zealand's interests. Permanent interests and being a permanent ally and friend seem to come together in a way that adds to the understanding of what Palmerston's observation has come to mean. Consider the detail of the Closer Economic Relations agreement, and of the closer defence relations principles. The closeness is remarkable. It is not that occasional tensions do not occur; it is simply that they occur, as it were, in the family.

Nearer to home, in the South Pacific, in 1995 the Government tried to get a grip on its aid budgets so that they did not slide completely off the scale. Permanent geographical position helping to dictate permanent interests means that this will continue to be the case.

The pursuit of national interests, not links through being allies, has characterised New Zealand's relations with North-east Asia. The rapidly developing market in China and the strong possibility that South Korea would overtake Britain as a destination for New Zealand exports have meant that New Zealand has to be intimately involved in the region at a variety of levels, not simply looking for new markets. The relationship with Japan, at first strongly centred on trading, has developed a closeness and complexity that is probably more mature than that with any other country with which New Zealand does not share a language or culture. More profoundly, in our contact with South-east and North-east Asia, a re-orientation of New Zealand's thinking is going on. Asia is becoming an integral part of New Zealand's outlook on the world.

New Zealand: Visiting Cambodia's Sam Rangsi on Police Raid

*BK3001091396 Hong Kong AFP in English
0847 GMT 30 Jan 96*

[FBIS Transcribed Text] PHNOM PENH, Jan 30 (AFP) — The leader of the banned opposition Khmer Nation Party (KNP), Sam Rangsi, on Tuesday blasted Monday's police raid on his party's headquarters calling it an "act of harassment and intimidation."

"This incident bodes ill for the political environment surrounding the next election, due in 1998," the former finance minister and outspoken government critic said in a statement from Wellington, New Zealand, where he is now visiting.

On Monday, heavily-armed police detained about 120 people, including several journalists, party officials and others, inside the KNP headquarters for more than three hours while they searched the premises after a confusing series of events that began with the theft of a car belonging to a party official.

Police officials said they searched the office after two police officers who had witnessed the car theft were forced back to the headquarters and held against their will.

Acting KNP president Khieu Rada denied that the officers were held involuntarily, but had simply given statements about the incident that the party had requested.

Khieu Rada said the car theft incident and alleged abduction had been staged to give police a reason to enter the office, but interior ministry officials have steadfastly rejected that claim.

Police confiscated one AK-47 assault rifle and a radio set from the office before leaving and releasing those detained.

Sam Rangsi, who is the midst of a 10-day trip to Australia and New Zealand recruiting KNP members from among Cambodian expatriate communities there, said the gun was licensed and registered and condemned the raid as politically motivated.

He called on the international community to condemn "this use of force... against a legal and loyal opposition" and asked it to "take appropriate measures to reverse the totalitarian drift which has taken place" in Cambodia since the United Nations-brokered election in 1993.

The government declared the KNP, which Sam Rangsi now says has more than 60,000, members illegal shortly after it was founded in November but it has continued to operate from its headquarters in spite of orders to close down.

Papua New Guinea

Papua New Guinea: Reports on Fighting Conflict

*LD2601111896 Melbourne Radio Australia
in English 1000 GMT 26 Jan 96*

[FBIS Transcribed Text] There are conflicting reports from Bougainville on the death toll in yesterday's skirmish in the south of the island between rebels and pro-government forces. Sean Dorney reports that the Papua New Guinea military claims that 15 members of the Bougainville Revolutionary Army (BRA) were shot dead. But the BRA puts its losses at only one.

[Dorney] All sides agree that one Papua New Guinea Defense Forces' soldier was killed in the battle near Piano in south Bougainville. His body was taken back to Buka Island yesterday. Soldiers on Buka claim 15 rebels were shot dead in a combined operation against a known BRA group. The representative on the Bougainville transitional government of the PNG [Papua New Guinea] government-recognized Bougainville militia, the resistance [as heard], Sam Akrotay, told me by telephone today that on the civilian helicopter that brought the body to Buka told him there were bodies everywhere after the gun battle. But the BRA claims it lost one man. Sean Dorney, Port Moresby.

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